Final Report

Economic Development Implementation Plan for the Town of Newmarket

1 March, 2010

millierdickinsonblais inc.

millierdickinsonblais inc.

Contents

1 Introduction

The Canadian economy is experiencing rapid and far-reaching structural changes, and many communities are struggling to understand how best to position themselves for success in the emerging economic environment. The Town of Newmarket has chosen this time to proactively examine its current and future economic opportunities and positioning, and to develop an action-oriented approach to building an economic development strategy that is tangible, practical and sustainable. At the same time, the fundamental changes occurring in the local, national and global economies demand that the approaches taken in developing any new strategy be different from those of the past; they must position Newmarket at the leading edge of the 21st Century economy, and prepare the community for tomorrow's opportunities rather than yesterday's.

Under the terms of the Town's Request for Proposals (RFP), the primary objective of this project is to build on the Town's recent economic development research activities, which culminated in a report titled "Transforming Our Community: Strategic Vision for Economic Development." In particular, this present project seeks to provide an economic development implementation plan through which the results of the research exercise may be transformed into tangible, action-oriented initiatives to drive local economic development activity.

The Town of Newmarket has already undertaken a number of initiatives to inform this process, including a series of externally-facilitated consultation sessions in 2007/2008, and a sector targeting exercise that identified five key targets sectors for the community's economic development efforts:

- Health
- Knowledge
- Advanced Manufacturing
- Newmarket's Role as a Regional Centre
- Arts & Culture

From this perspective, the new Economic Development Implementation Plan examines each of these target sectors in detail, and provides Newmarket and the Town's economic development staff with:

- A solid and factual base of data and information, including the Town's current economic base, on which to base future judgements and strategic directions
- Clear, concise and practical recommendations for diversifying, strengthening and enhancing the competitiveness of the local economy
- A detailed analysis that speaks to key competitive advantages and disadvantages and serves to differentiate the Town's economic development positioning within each of the target sectors
- Specific and marketing-oriented positioning statements that reflect Newmarket's value proposition to these target sectors
- Progressive actions, projects and program concepts within each of the target sectors that are firmly rooted in existing and emerging community priorities, oriented to achieving tangible success in the target areas

Central to these issues is the recognition that we are rushing toward a new kind of economy, where a new kind of economic development paradigm must take root. From this perspective, it is essential that the Implementation Plan positions Newmarket at the leading edge of positive economic trends, rather than focusing on outmoded strategies and solutions.

While the material in this report covers a wide range of issues, resources and datasets, the focus of the strategic plan itself is specific, precise and rooted in the real world. From this perspective, the actions and strategic directions identified are:

- Positive, productive and realistic
- Tangible and achievable
- Affordable and actionable given the resources available
- Appealing to potential partners both within the community and without

2 Executive Summary

Under the terms of the Town's Request for Proposals (RFP), the primary objective of this project is to build on the Town's recent economic development research activities, which culminated in a report titled "Transforming Our Community: Strategic Vision for Economic Development." Over the past two or three years, the Town of Newmarket has undertaken a number of initiatives to inform this process, including a series of externally-facilitated consultation sessions in 2007/2008, and a sector targeting exercise that identified five key targets sectors for the community's economic development efforts:

- Health
- Knowledge
- Advanced Manufacturing
- Newmarket's Role as a Regional Centre
- Arts & Culture

This present project seeks to provide an Economic Development Implementation Plan through which these objectives may be transformed into tangible, action-oriented initiatives to drive local economic development activity. In particular, it envisions an economic development strategy that pursues opportunities in each of the five target areas by building on the particular strengths and opportunities emerging from the knowledge sector and extending into each of the other target areas. From this perspective, a knowledge-focused approach has led the project team to identify and develop a full strategy for Newmarket to "Build the Intelligent Community."

Chapter One of this strategy is an introduction to the report, while Chapter Two consists of this executive summary. Chapter Three is an Economic Base Analysis. The analysis is detailed, but focused on the five pre-existing target sectors to the greatest extent possible. It reviews demographic characteristics of the Town and observes population trends, educational attainment levels and household income values as compared to the Region and in some cases the province of Ontario. The purpose of this data exercise is to provide the project team (and subsequent readers) with a clearer picture of underlying trends and forces within Newmarket's economy. The data suggests that each of the target sectors identified by the Newmarket Economic Development Advisory Committee (NEDAC) have experienced moderate to strong levels of growth, with the capacity for further growth in these areas of the local economy.

Chapter Four provides additional data and research insights into the current state of Newmarket's infrastructure. This infrastructure is examined in three distinct categories: Human Infrastructure (relating to the composition and orientation of the local labour force with particular reference to the five target sectors), Economic Infrastructure (relating to business formation and numbers of businesses with particular reference to the five target sectors) and Physical Infrastructure. Chapter Five provides a high level summary of 21 one-on-one consultations held with key business and community leaders. Each of these chapters provides information and insight into factors affecting economic development opportunities in the Town.

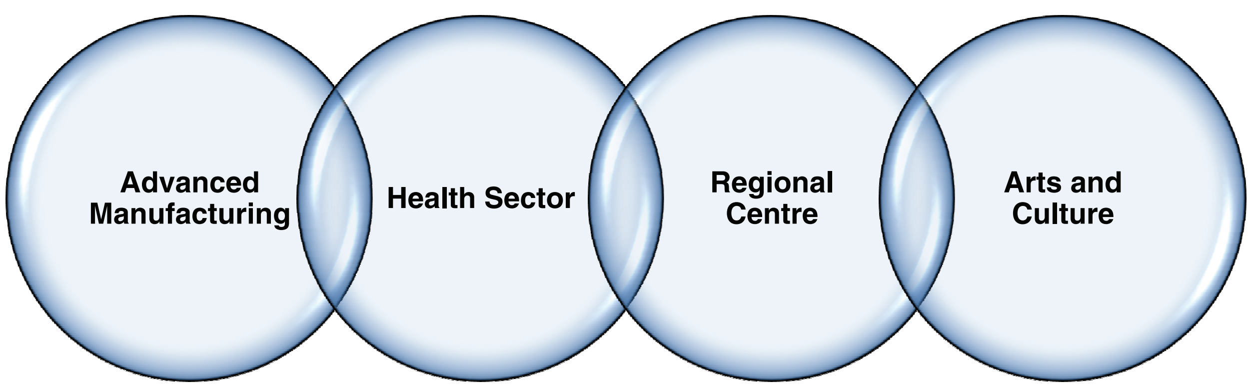
Chapter Six begins by providing a detailed analysis of each of the five target sectors. These sector overviews describe key national and international trends, how they relate to the development of local opportunities, and the linkages that may exist with local companies, institutions and organizations. Consideration is then given to the creation of a strategic framework or “logic model” around which a unique and compelling economic development strategy for Newmarket may be constructed.

At a practical level this approach suggests that Newmarket’s area of greatest competitive advantage lies in activities that incorporate more than one element of activity from different target area strengths. These areas of strength represent nodes of activity where Newmarket’s concentration of industrial, commercial, community and institutional strengths may be leveraged to present a truly compelling case for investment attraction at a global level.

In Newmarket, for example, the identification of advanced manufacturing as a target sector and the identification of a set of key existing assets underpinning cluster activity in this sector can scarcely be said to differentiate the community from a hundred other competitors across Ontario, or thousands around the world. However, at the point of overlap between advanced manufacturing and the health sector, where the fringes of these sectors begin to merge, Newmarket begins to acquire unique competitive advantages. For example, while many communities are strong in the advanced manufacturing sector, or strong in the health sector, very few are strong in both. This means – right off the bat – that Newmarket should be able to significantly outcompete many other communities for investments that rely on or are linked to both of these sectors.

The consulting team believes that it is possible to map out an optimal value proposition for Newmarket on the basis of a particular configuration of cluster activity in the community. In this approach, we see a chain of four interlinked clusters, each “bleeding into” the next:

Linkages Between Clusters



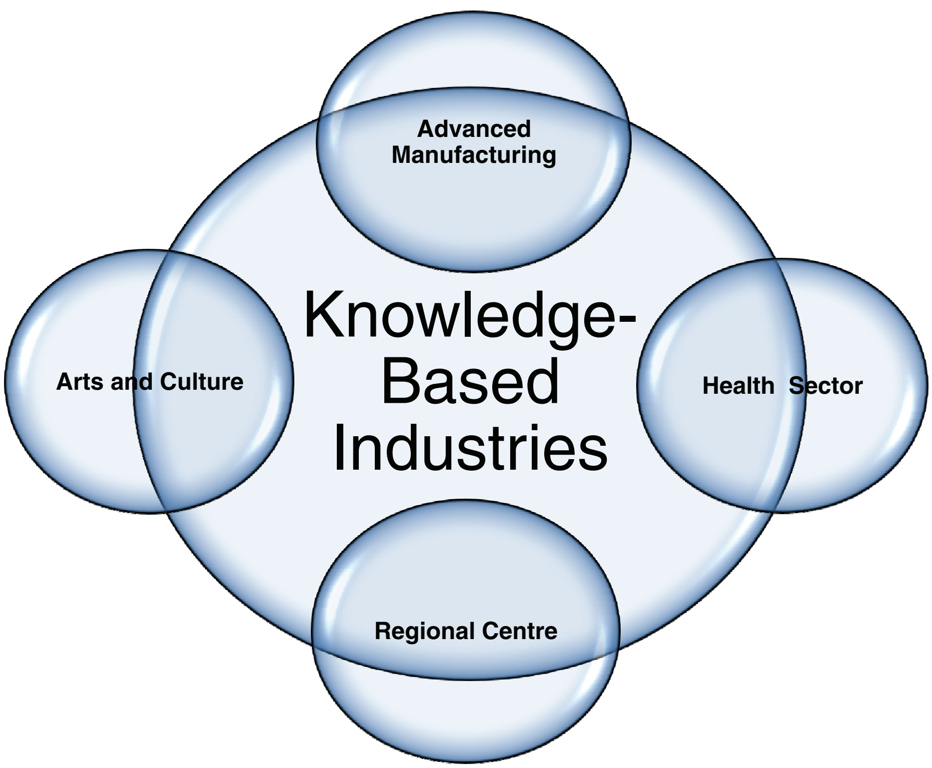
Advanced Manufacturing is an obvious area of strength in the community, but at its edges it has connections into the Health Services field. This overlap or “convergence” occurs in areas such as medical device manufacturing. By the same token, Newmarket’s role as a hub of the Health Services sector connects strongly with the identified goal of being a Regional Centre of activity. A role as a Regional Centre lends itself to the attraction of assets, programs and infrastructure to support the development of the Arts & Culture sector.

The model suggests that each circle represents an area of local strength. Where two circles overlap, the community has an area of competitive advantage at a regional or national level. A quick, non-comprehensive survey of local businesses in these sectors reinforces both the notion of depth and complexity within the circles themselves (a test for the legitimacy of the sector identified) and an increasing complexity of interaction where the circles overlap.

However, in Newmarket's case, a fifth target sector provides a unique opportunity to link all of the identified community clusters together, while simultaneously providing some focus for effort within the notoriously broad "knowledge-based industries" (KBI) sector. KBIs are an economic development target of high value and high interest – but they are also spread across an extremely wide spectrum of activity. Do industrial design, telecommunications research, management consulting and video game development (for example) really constitute a single target area for economic development activity?

However, if the community articulates an overarching goal of making Newmarket an "Intelligent Community" – a kind of hotspot or nexus of leading edge, 21st Century business activity – it is possible to position the knowledge-based industries sector as a kind of platform underlying the other four target areas. This could be represented as follows:

Overlapping Cluster Targets as a Source of Competitive Advantage



In this model, the focus of the economic development function's work in the knowledge-based sector is at those points of convergence with the other four target areas. From this perspective, the value proposition becomes a tool both for narrowing the scope of the KBI target sector to a smaller set of key priorities, but it also serves to position the KBI work as a means of increasing the community's differentiation from and competitive advantage over its key competitors.

Chapter Seven takes this strategic framework, and develops a tangible and detailed action plan to begin its implementation. The chapter begins with a discussion of background considerations, including Town staffing, the allocation of municipal resources, and the division of effort between three key areas of economic development activity:

- Efforts to attract external investment (approximately 15%)
- Efforts to support new entrepreneurs (approximately 10%)
- Efforts to undertake locally-based internal business retention and expansion (approximately 75%)

This is followed by a detailed action plan, recommending 4 internal and 22 external actions to be undertaken by the community, each with the Town's economic development staff in a key leadership or facilitation role. These actions include:

Action Area One: Enabling Actions

- Develop a formal Business Retention & Expansion program using advanced software support
- Develop an investment attraction strategy based upon the work of Dr. Edward Feser, and building on the value proposition identified in this strategy
- Increase the size of the economic development operation's staff complement
- Develop an online toolkit of resources for new entrepreneurs

Action Area Two: Advanced Manufacturing:

- Develop a local manufacturing forum
- Link key advanced manufacturing players to the health services sector
- Participate in regional efforts to attract a national research facility in medical device development
- Work with planning department to prioritize advanced manufacturing for remaining greenfield lands

Action Area Three: Health Sector

- Work with Planning officials to establish a health sector-oriented Community Improvement Area with incentives based on emerging best practice across the province
- In Cooperation with Southlake Regional Health Centre, pursue a land assembly strategy to permit future growth of the cluster's anchor
- Building on consultations with key regional and provincial economic development structures, develop and deliver a sector marketing strategy targeting medical organizations and bodies
- Build on targeted subsectors through existing BR&E and investment attraction efforts

Action Area Four: Newmarket as a Regional Centre

- Pursue opportunities for attracting federal, provincial and regional investment in Newmarket
- Establish a Newmarket Knowledge Forum to bring key GTA leaders to the community on a regular basis
- Pursue and support key inter-municipal infrastructure and resources
- Develop a directory of Newmarket's professional services sector and distribute it to key targets across York Region

Action Area Five: Arts & Culture

- Engage with and support existing arts and cultural organizations and build opportunities for more collaboration
- Work to make Newmarket a centre of collaboration between "established" and "newcomer" cultural activities
- Develop programs to "professionalize" independent artists, supporting them as emerging entrepreneurs
- Continue to make new arts and cultural programs spaces available, but leverage provincial and federal funding to establish shared technical facilities and resources

Action Area Six: Knowledge-Based Industries

- Initiate an Intelligent Community strategy to highlight way in which knowledge-based industries and infrastructure anchor the local economy
- Create a community-based organization (with Waterloo's Communitech as a model) to spearhead local KBI initiatives and smart infrastructure development
- Develop a KBI-based lean manufacturing / green manufacturing initiative based on KBI tools and linked to the new BR&E program
- Work with Southlake Regional Health Centre to build local expertise in the converging IT and Life Sciences sectors, from records digitization to bioinformatics, and develop a strategy for exporting this expertise
- Work with regional interests to acquire, build and maintain key technology assets and infrastructure in the community, building on existing smart grid, e-health and digital information initiatives
- Develop a "Creative Class" initiative for Newmarket, linking arts & culture to other creative industries in a program designed to enhance and improve quality of life as a driver of additional economic development opportunity

Finally, the report concludes with an overview of current best practice in the monitoring and measurement of performance and results in economic development.

3 Economic Base Analysis

The following discussion reviews the key economic indicators linked to the five targeted sectors identified previously by Newmarket Economic Development Advisory Committee (NEDAC) members: Health, Knowledge, Advanced Manufacturing, Arts & Culture, and Newmarket's role as a regional centre. Each of the indicators presented in the analysis below have been examined with the five targeted sectors taken into significant consideration. The analysis is detailed, but focused on these sectors to the greatest extent possible. It reviews demographic characteristics of the Town and observes population trends, educational attainment levels and household income values as compared to the Region and in some cases the province of Ontario. The purpose of this data exercise is to provide the project team (and subsequent readers) with a clearer picture of underlying trends and forces within Newmarket's economy.

3.1 Demographic Characteristics

3.1.1 Population Change (1996 - 2006)

Population growth is an indicator of a strong labour force. Statistics Canada reported in 2006 that the population of the Town of Newmarket was comprised of 74,295 people, which represents 8.3% of the current population base of the Region of York. Given its central geographic position within the Region, the Town has experienced an outstanding measure of growth at a rate of 30.1% over the past decade (1996 – 2006). While this percentage rate is below that of the Region of York's figure of 50.7%, it surpasses the provincial growth rate of 13.1% during the same time period. More recently (2001 - 2006), the Town and the Region have experienced much faster growth rates than the province, with rates of 6.3% and 15.8% higher than Ontario, respectively.

Figure 1 – Historical & Recent Population Growth

Population Growth 1996 -2006

Population	1996	2001	2006	2001 - 2006 % Change	2001 - 2006 (5 Years) Net Increase	1996 - 2006 % Change	1996 - 2006 (10 Year Net Increase)
Newmarket	57,125	65,788	74,295	12.9%	8,507	30.1%	17,170
Region of York	592,445	729,254	892,712	22.4%	163,458	50.7%	300,267
Ontario	10,753,573	11,410,046	12,160,282	6.6%	750,236	13.1%	1,406,709

Source: Statistics Canada, Census of Population: 1996, 2001, 2006

Regional population projections for Newmarket and the Region overall, suggest that the local and regional population will reach 97,300 and 1,507,400 (respectively) by the year 2031. This represents an increase of 31.0% in Newmarket and 68.9% in the Region of York. Newmarket's growth rate compares closely to the projected population change for the province of 29.0% for the same period.

Historically speaking, a significant portion of Newmarket's population growth has occurred through the form of residential subdivisions. As a result, with little land remaining Newmarket has repositioned itself into an urban municipality.

Figure 2 – Population Projections[1]

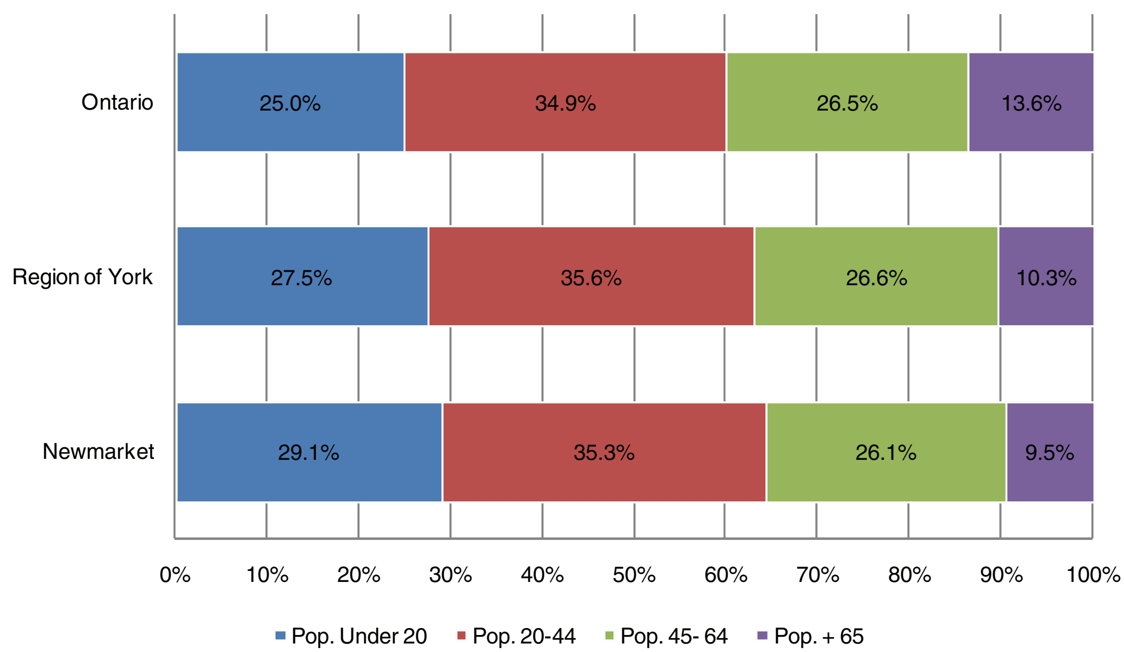
York Region Population Forecast by Local Municipality

	2006	2011	2016	2021	2026	2031
Newmarket	77,400	84,000	88,700	91,900	94,600	97,300
Region of York	929,900	1,071,100	1,200,100	1,314,700	1,415,200	1,507,400

Source: 2006 population based on Statistics Canada, 2006 Census using an estimated undercount
*2011 to 2031 forecasts provided by York Region Planning and Development Services Department, 2008.

Newmarket's population distribution is mainly concentrated in the 20 - 44 years age cohort, which can be attributed to the strong employment opportunities, family-friendly community and proximity to post secondary institutions. The age distribution of Newmarket mirrors very closely to the profile of the Region as a whole and with only marginal differences present between Newmarket and that of the Province. The main differences present in Newmarket as compared to the Region and the Province are highlighted in the youngest and oldest cohorts of the population. Figure 3 demonstrates that the share of the population under the age of 20 is 1.6% and 4.1% higher than the Region and the Province, respectively. The Town also has a lower proportion of its population over the age of 65 as compared to the Region and the Province as a whole. There are strong opportunities highlighted in the age distribution figure below, primarily related to the advantages of attracting and retaining younger members of the workforce to the local economy.

Figure 3 – Population by Age



Source: Statistics Canada, Census of Population: 2006

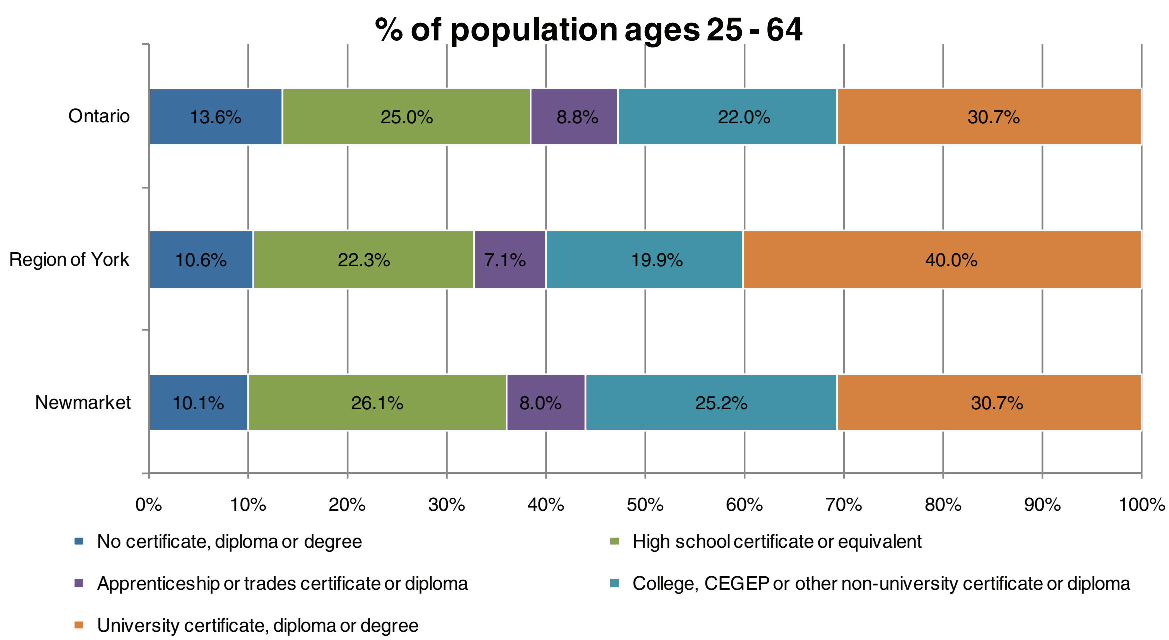
[1] Note: Figures may differ from those in this report due to rounding.

3.1.2 Educational Attainment Characteristics

The educational levels attained by the resident population have implications for the growth of that local economy and whether its labour force will be seen as attractive to business and industry. The educational attainment profile of the working age population in Newmarket differs slightly from both the Region and the Province. While the greatest share of the population has earned a university certificate, diploma or degree (30.7%), the Town's average is slightly below the Region at 40.0% and on par with the provincial average (30.7%). The second largest portion of the population holds a high school certificate or equivalent (26.1%) followed by a college, CEGEP or other non-university diploma (25.2%).

Based on the results presented below, the Town of Newmarket has a significant proportion of its working age population with a university certificate, diploma or degree, which may be attributed to the relative closeness of post secondary education opportunities throughout the Greater Toronto Area (GTA) or within easy reach of the community.

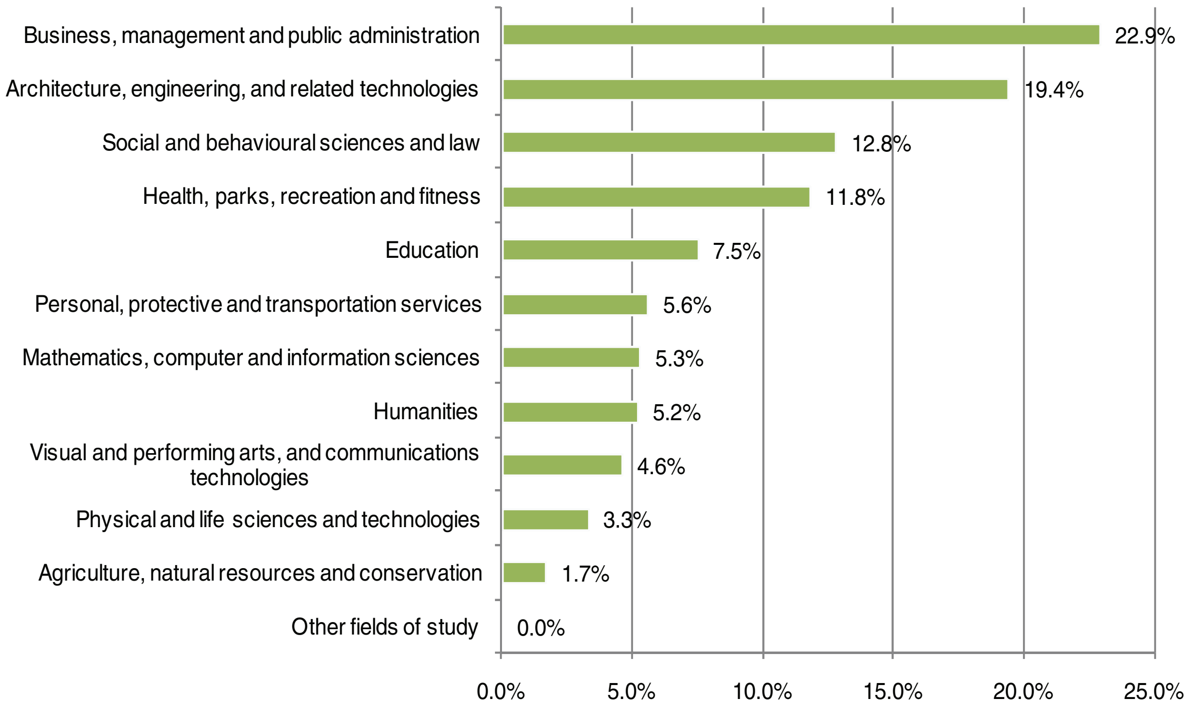
Figure 4 - Educational Attainment, Newmarket, York Region, Ontario: 2006



Source: Statistics Canada, Census of Population: 2006

For those that have completed a post secondary education the flowing table provides an education profile by primary field of study. Based on these results, the Business Management and Public Administration field of study comprises 22.9%. This is followed by Architecture, Engineering and related technologies (19.4%) and Social and behavioural sciences and law (12.8%). The concentration of skills within each of these fields of study will help to provide insight into the types of skills and occupations required to further support the Town's target sectors.

Figure 5 - Major Field of Study, Newmarket: 2006



Source: Statistics Canada, Census of Population: 2006

3.1.3 Household Income

Figure 6 demonstrates the change in household income levels in Newmarket from 2000 to 2005. During this time period, the number of private households[2]increased by 3,780 or 17.7%. In 2005, the number of private households earning in excess of $100,000 comprised 38.1% of all households, an increase of 6.1% from 2000 levels. The number of households earning less than $50,000 decreased in number, dropping from 36.0% to 28.1% of all households. This may suggest a general shift towards a higher income levels among Newmarket's labour force and demonstrates a strengthening of the local economy.

[2] Figures calculated based on Household Income in Constant (2000) and (2005) Dollars. Positive or negative dollar value or nil are recorded as responses

Figure 6 – Income Characteristics by Household, Newmarket (2000 & 2005)

	2000		2005	
Household income of all private households	21,310	100%	25,090	100%
Under $10,000	475	2.2%	655	2.6%
$ 10,000 - $19,999	1,255	5.9%	1,340	5.3%
$ 20,000 - $29,999	1,490	7.0%	1,505	6.0%
$ 30,000 - $39,999	1,335	6.3%	1,720	6.9%
$ 40,000 - $49,999	1,615	7.6%	1,815	7.2%
$ 50,000 - $59,999	1,690	7.9%	1,650	6.6%
$ 60,000 - $69,999	1,675	7.9%	1,790	7.1%
$ 70,000 - $79,999	1,790	8.4%	1,750	7.0%
$ 80,000 - $89,999	1,635	7.7%	1,690	6.7%
$ 90,000 - $99,999	1,545	7.3%	1,615	6.4%
$100,000 and over	6,805	31.9%	9,550	38.1%
Average household income $	84,148	-	96,680	-
Median household income $	75,774	-	81,640	-

Source: Statistics Canada, Census of Population: 2001 & 2006

Figure 7 reveals the average private household incomes in 2005 for the Town, Region and Province. While York Region proved to have the greatest average household income of all three geographies with an average of $103,420, the Town followed closely with an average household income of $96,680 and the provincial average lagging far behind with an average of $77,967.

Figure 7 – Household Income Levels, in detail, Newmarket, Region of York, Ontario (2005)

	Newmarket		Region of York		Ontario	
Household income in 2005 of private households - 20% sample data	25,090	100.0%	275,680	100.0%	4,555,025	100.0%
Under $10,000	655	2.6%	8,705	3.2%	198,235	4.4%
$10,000 to $19,999	1,340	5.3%	12,865	4.7%	398,830	8.8%
$20,000 to $29,999	1,505	6.0%	16,355	5.9%	408,130	9.0%
$30,000 to $39,999	1,720	6.9%	19,470	7.1%	447,475	9.8%
$40,000 to $49,999	1,815	7.2%	19,430	7.0%	419,525	9.2%
$50,000 to $59,999	1,650	6.6%	19,025	6.9%	385,555	8.5%
$60,000 to $69,999	1,790	7.1%	18,930	6.9%	356,990	7.8%
$70,000 to $79,999	1,750	7.0%	19,200	7.0%	324,835	7.1%
$80,000 to $89,999	1,690	6.7%	18,830	6.8%	282,910	6.2%
$90,000 to $99,999	1,615	6.4%	16,565	6.0%	238,720	5.2%
$100,000 and over	9,550	38.1%	106,295	38.6%	1,093,810	24.0%
Median household income $	81,640		81,928		60,455	
Average household income $	96,680		103,420		77,967	

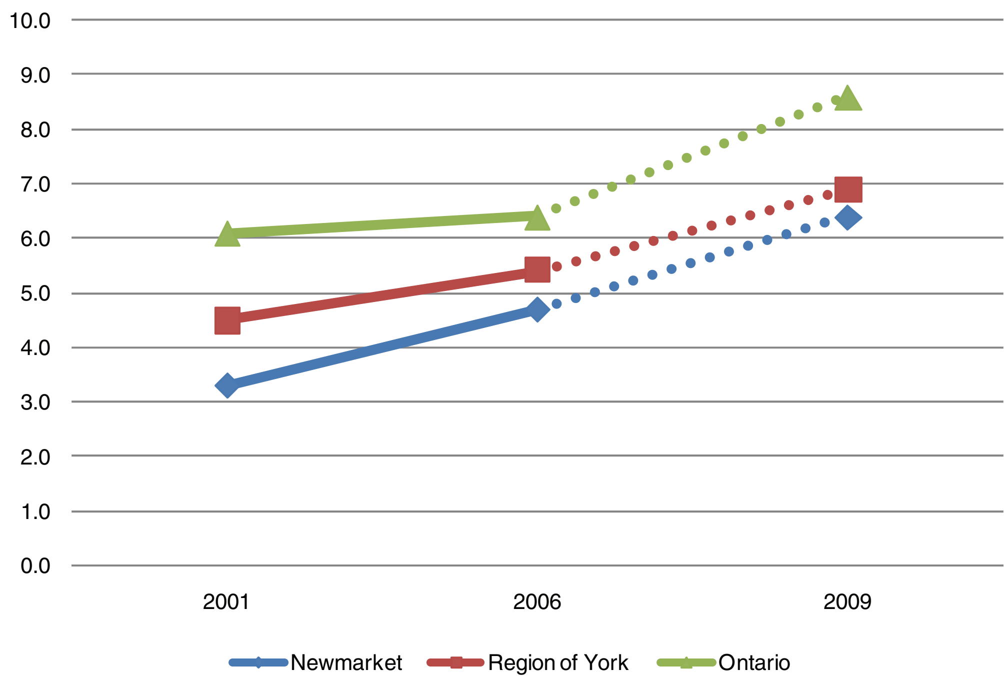
Source: Statistics Canada, Census of Population: 2006

3.1.4 Labour Force Characteristics

An additional factor for indicating a community's economic health is labour force performance. While Newmarket experienced nearly full employment in 2001, the Town's unemployment rate increased to 4.7% by 2006. Both in 2001 and 2006, the Town's unemployment rate ranked well below both the regional and provincial averages of 4.5%/6.1% in 2001 and 5.4%/6.4% in 2006. Newmarket did, however, experience a 1.4% increase in unemployment between 2001 and

2006, which is a greater increase in unemployment than experienced by the Region of York and Ontario respectively. The most recent predicted figures obtained from Manifold Data Mining suggest that as of November 2009 the Town's unemployment rose to 6.4 percent respectively. An increase in unemployment levels also occurred across the Region to a lesser degree at a rate of 6.9%. The most recent figures for the Province from the Statistics Canada Labour Force Survey released on November 6th, 2009 suggest the unemployment rate was 8.6%. The large increase in unemployment rates is a reflection of greater economic downturn felt across the province, Canada and the world.

Figure 8 - Labour Force 15 years and over, Unemployment Rates, Newmarket, York Region and Ontario: 2001, 2006 and 2009

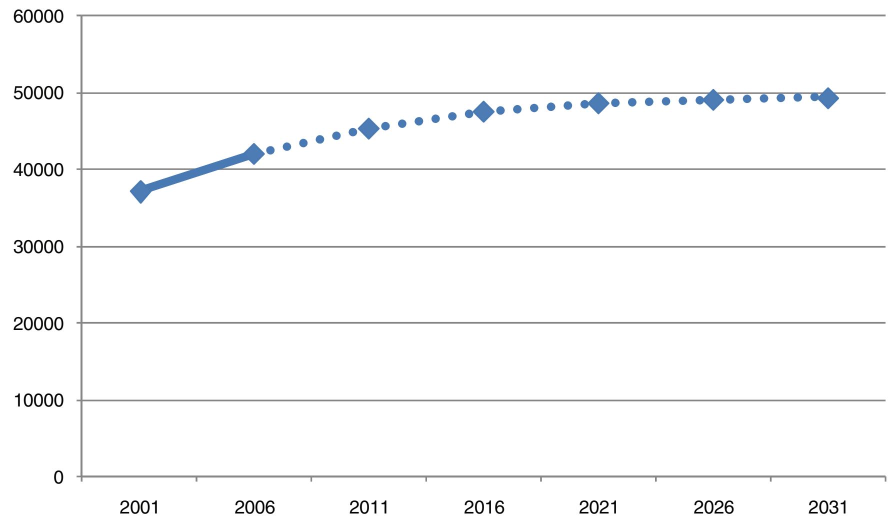


Source: Statistics Canada, Census of Population: 2006
Note: Predicted Figures for Newmarket and York Region were obtained for 2009 from Manifold Data Mining
Note: Provincial Unemployment Rates were obtained from Statistics Canada Labour Force Survey, November 2008, 2009

3.1.5 Labour Force by Industry

From 2001 to 2006 the size of the resident labour force in Newmarket increased by 15.2% to 42,735 persons. Newmarket's labour force growth rate exceeded the provincial rate of 8.0%, but lagged behind the regional average growth rate of 22.7%. The Town's labour force is expected to steadily increase over time as projected by the York Region Draft Official Plan (June 2009). The total labour force in Newmarket is expected to increase by 17.3% from 2006 to 2031, or 4.0% at an average annual rate.

Figure 9 – Newmarket Employment Forecast, 2011 - 2031



Source: York Region – Employment Forecast by Municipality (as per Draft York Region OP), June 2009

Based on the 2006 census, the local economy was concentrated in the following sectors: Manufacturing (14.3%), Retail Trade (12.7%), Health Care & Social Assistance (8.9%), Professional, Scientific & Technical Services (8.2%) and Educational Services (7.5%). Notwithstanding these results, the following sectors experienced the greatest gain in the number of employees between 2001 and 2006:

- Professional, Scientific & Technical Services (net gain of 870 employees)
- Retail Trade (725)
- Educational Services (690)
- Health Care & Social Assistance (625)
- Other services (except public administration) (550)

Projected net gain in 2009[3]

- Professional, Scientific & Technical Services (net gain of 576 employees)
- Retail Trade (603)
- Educational Services (382)
- Health Care & Social Assistance (1,098)
- Other services (except public administration) (214)

Many, if not all, of the above mentioned industries are inherently linked to the Town's target sectors. The performance of each of these industries provides strong quantitative results to further promote each of these areas in Newmarket's future economic initiatives.

[3] 2009 figures derived from data provided by Manifold Data Mining

It should be noted that in discussing the labour force by industry, consideration is given to the total workforce by sector, regardless of whether that individual worker is employed in Newmarket. This approach is intended to demonstrate the overall strength and diversity of the local workforce. Resident employment (jobs in Newmarket) and labour flows – the in and out migration of workers to and from other regions is discussed in the next section of the report.

Figure 10 Labour Force by Industry, Newmarket, York Region, Ontario: 2006 & 2009

	2009		2006		2006		2006	
	Newmarket				Region of York		Ontario	
All industries	47,423	100.0%	42,735	100.0%	492,525	100.0%	6,473,735	100.0%
11 Agriculture, forestry, fishing and hunting	155	0.3%	135	0.3%	2,330	0.5%	114,345	1.8%
21 Mining and oil and gas extraction	75	0.2%	80	0.2%	770	0.2%	25,445	0.4%
22 Utilities	438	0.9%	370	0.9%	3,255	0.7%	50,215	0.8%
23 Construction	2,724	5.7%	2,345	5.5%	32,680	6.6%	384,780	5.9%
31-33 Manufacturing	5,987	12.6%	6,125	14.3%	65,310	13.3%	899,670	13.9%
41 Wholesale trade	2,883	6.1%	2,580	6.0%	33,220	6.7%	307,465	4.7%
44-45 Retail trade	6,038	12.7%	5,435	12.7%	56,940	11.6%	720,230	11.1%
48-49 Transportation and warehousing	1,681	3.5%	1,510	3.5%	16,910	3.4%	307,480	4.7%
51 Information and cultural industries	1,331	2.8%	1,250	2.9%	15,060	3.1%	172,795	2.7%
52 Finance and insurance	2,527	5.3%	2,145	5.0%	35,360	7.2%	316,170	4.9%
53 Real estate and rental and leasing	740	1.6%	685	1.6%	12,370	2.5%	126,440	2.0%
54 Professional, scientific and technical services	4,086	8.6%	3,510	8.2%	50,085	10.2%	471,620	7.3%
55 Management of companies and enterprises	89	0.2%	60	0.1%	1,085	0.2%	8,440	0.1%
56 Administrative and support, waste management and remediation services	2,134	4.5%	2,030	4.8%	20,815	4.2%	314,005	4.9%
61 Educational services	3,567	7.5%	3,185	7.5%	33,540	6.8%	433,485	6.7%
62 Health care and social assistance	4,883	10.3%	3,785	8.9%	37,090	7.5%	611,740	9.4%
71 Arts, entertainment and recreation	1,166	2.5%	1,040	2.4%	10,475	2.1%	140,830	2.2%
72 Accommodation and food services	2,646	5.6%	2,520	5.9%	25,745	5.2%	414,970	6.4%
81 Other services (except public administration)	2,034	4.3%	1,820	4.3%	22,750	4.6%	303,515	4.7%
91 Public administration	2,238	4.7%	2,105	4.9%	16,730	3.4%	350,075	5.4%

Source: Statistics Canada, Census of Population: 2006

Note: 2009 predictive data has been obtained through Manifold Data Mining Services

On an annual basis, York Region releases a report entitled "York Region Employment and Industry" (2008). The employment survey reached out to businesses located within non-residential traffic zones[4] within the Town. Between 1998 and 2008, employment levels within the study area increased by 2.3%, and more recently the Town experienced an annual growth rate of 3.5% from 2007 to 2008.

The study also found that service-based businesses have dominated Newmarket's labour force activity. More specifically, retail trade, health care and social assistance and personal services were the most dominant sector, which accounted for 18.2%, 16.2% and 16.1% of total employment levels. These figures reinforce the notion of Newmarket's continued growth as a regional centre. Targeting the expansion of this sector is an important consideration for the Town of Newmarket, particularly those business operations whose growth exhibit the strength to promote the Town as a regional centre through the health care and social assistance services industry. This industry has the capacity to employ a large group of the population both locally and regionally (see section 2.1.6 for further data detail), and also has the ability to provide indirect employment in other target areas such as professional services and advanced manufacturing industries.

[4] A comprehensive Region-wide survey of all businesses across York Region (excluding both farm and home-based businesses)

Moreover, Newmarket's presence as a centre for public administration (York Region Administrative Centre, the RCMP and the Provincial Courthouse), which accounts for 10.0% of the Town's employment, is also a strong contributing factor supporting Newmarket's target goal as a regional centre.

3.1.6 Labour Force Flow Pattern

The overall size of a local labour force is a key asset in the attraction and retention of businesses to a community. It is also important to identify the movement of a community's labour (i.e. outflow or inflow of its labour force) as this may represent an opportunity to capture or retain employment in the community. As of 2006, the greatest level export of labour was in the construction (-1,280 workers) and professional, scientific and technical services (-1,280 workers) industries, followed by wholesale trade (-1,205 workers) and finance and insurance (-1,140 workers). However, when the number of jobs (inflow of labour) to Newmarket is reviewed, it appears manufacturing (1,635 workers) and health care and social assistance (1,535 workers) are major industries that are effective in drawing in labour from outside of the community. Overall, Newmarket is a net exporter of -1,770 jobs, which is not categorized as a highly significant loss of labour.

A high level review of the Town's flow patterns with relation to each of the target sectors reveals the following:

Health Care – The Town is a net importer of health care and social assistance workers. More specifically, the highest import of labour was in the hospitals sub-sector, where imported labour accounted for 745 employees. Generally speaking, a hospital is a large employer and it would be expected that a number of employees would be retained from outside of the community. The growth of the Southlake Regional Health Care Centre and its function as a regional hub for medical related businesses in Newmarket and the Region is a strong contributor to the import of labour. As the local and medical community grows there may be other opportunities to attract or grow a broader range of health and wellness professionals such as those providing acupuncture, massage therapy, chiropractic care, and home health care.

Arts & Culture – Both the arts, entertainment and recreation (-450) and information and cultural (-525) industries export labour to other communities. In arts, entertainment and recreation, the highest export of labour was in the amusement, gambling and recreation industries subsector, with 340 individuals working in this sub-sector outside of the community. This is most likely attributed to the seasonal employment opportunities at Canada's Wonderland in the neighbouring community of Vaughan. Opportunities in engaging existing arts and cultural organizations, such as local theatres, provide locals with the ability to work within their own community as well as attract additional regional residents to the Town for entertainment purposes.

Advanced Manufacturing - In the manufacturing sector the highest export of labour was in the printing and related support activities sub-sector, where exported labour accounted for 310 employees, or 19.0% of the employed manufacturing labour force. This is largely attributed to the presence of Quebecor located throughout the Region (Aurora, Richmond Hill and Vaughan) and The Toronto Star Press Centre in Vaughan.

Knowledge-Based Economy – Knowledge-based activity can be found in a number of industries and, in fact, overlaps with each of the target sectors discussed throughout the report. For instance, aspects of advanced manufacturing are used in the field of health to improve technology centred on medical device manufacturing. However, for the purposes of this high level review of labour flow patterns, only the professional, scientific and technical services sector was reviewed. This sector is a net exporter of labour (-1,280) as mentioned earlier, with specific levels of export in the computer systems design and related services (-480) subsector. The outflow of labour may be a result of IBM Canada Ltd. presence in Markham.

Regional Centre – While the presence of a health care industry is a contributor to the designation of Newmarket as a regional centre, retail trade and the presence of public administration activity also help to define this target sector. The highest import in the retail trade sector of labour was in the general merchandise stores (i.e. department stores) and clothing stores, which support activities occurring in the Upper Canada Mall. In the public administration sector, the highest import of labour was in the local, municipal and regional public administration subsector, with much of the municipal public administration employment provided by York Region Administrative.

Figure 11 – Labour Flow Analysis, Labour Force 15 Years and Over by Industry, Town of Newmarket, 2006

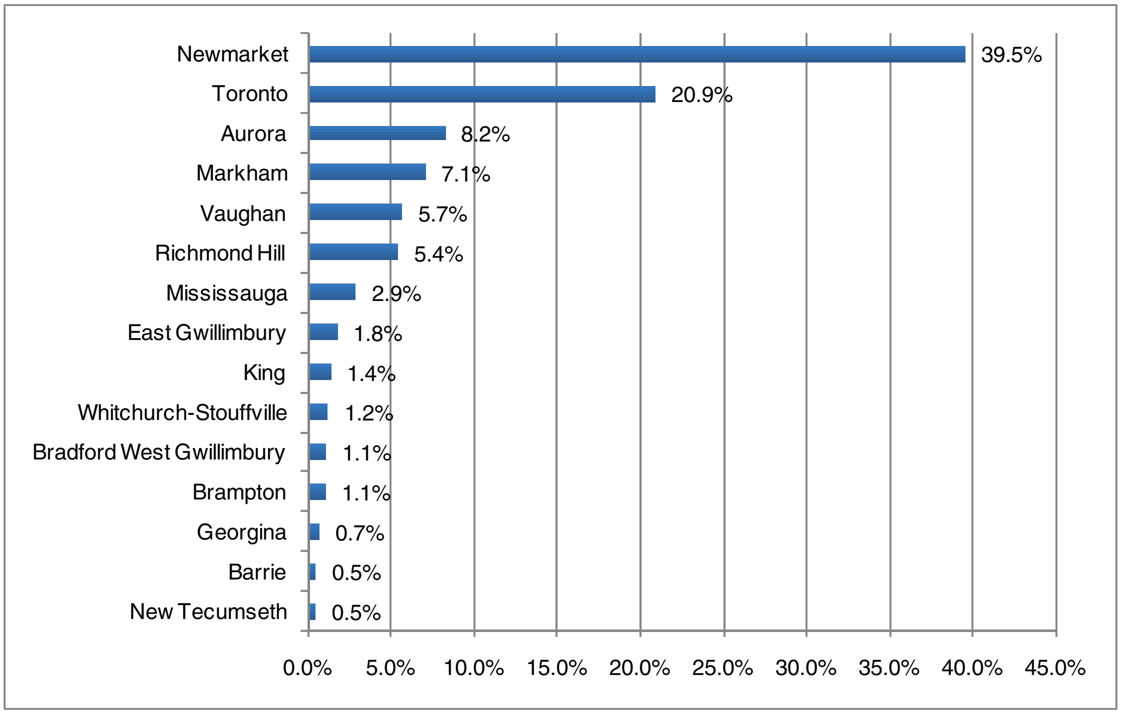
	Jobs	Labour Force	Net exp(-)/imp(+) of labour
11 Agriculture, forestry, fishing and hunting	70	130	-60
21 Mining and oil and gas extraction	0	85	-85
22 Utilities	120	370	-250
23 Construction	940	2220	-1280
31-33 Manufacturing	7535	5900	1635
41 Wholesale trade	1330	2535	-1205
44-45 Retail trade	6660	5145	1515
48-49 Transportation and warehousing	900	1485	-585
51 Information and cultural industries	695	1220	-525
52 Finance and insurance	935	2075	-1140
53 Real estate and rental and leasing	595	660	-65
54 Professional, scientific and technical services	2140	3420	-1280
55 Management of companies and enterprises	45	45	0
56 Administrative and support, waste management and remediation services	1535	1880	-345
61 Educational services	2320	3145	-825
62 Health care and social assistance	5225	3690	1535
71 Arts, entertainment and recreation	515	965	-450
72 Accommodation and food services	2645	2370	275
81 Other services (except public administration)	2025	1780	245
91 Public administration	3180	2060	1120

Source: Statistics Canada, REDDI Tool, 2006

3.1.7 Labour Force by Place of Work

Through the review of the Newmarket's labour flow patterns by industry, consideration is now given to Newmarket's commuting relationships with other communities in the GTA and beyond, which is further summarized in the following section. Based on the results of the place of work data provided by Statistics Canada (illustrated in Figure 12), approximately 39.5% of Newmarket's resident workforce is actually working in Newmarket. This is followed by a smaller proportion of residents that commute to Toronto on a daily basis to find employment, which equates to 20.9% of the total employed labour force. A further 31.4% of the workforce commute within York Region and the remaining 4.9% commute to Mississauga, Brampton, Barrie and New Tecumseth.

Figure 12 – Commuting Flow Census Subdivisions: Employed Labour Force 15 Years and Over Having a Usual Place of Work of Census Subdivisions 2006 Census



Source: Statistics Canada, Census of Population: 2006

3.1.8 Labour Force by Occupation

The Town of Newmarket's labour force by occupation is depicted in the profile below. The profile suggests Newmarket's labour force is diverse and is engaged in a variety of occupations linked to a number of different industries (See Appendix 1). Figure 13 provides a profile of the concentration of the labour force by occupation for the Town of Newmarket, the Region and the Province for 2006.

Areas of high labour force concentration in the Town of Newmarket in 2006 include:

Sales and service occupations (24.4%)
Business, finance and administration occupations (19.3%)
Management occupations (13.8%)
Trades, transport and equipment operators and related occupations (11.3%)

When consideration is given to the occupational profile of the labour force there are only marginal differences between Newmarket, the Region and the Province.

Figure 13 - Labour Force by Occupation, Newmarket, York Region, Ontario: 2006

	2009*		2006 Newmarket		2006 Region of York		2006 Ontario	
All occupations	47,376	100.0%	42,735	100.0%	492,525	100.0%	6,473,735	100.0%
A Management occupations	6,462	13.6%	5,895	13.8%	69,720	14.2%	666,485	10.3%
B Business, finance and administration	9,243	19.5%	8,260	19.3%	107,515	21.8%	1,204,490	18.6%
C Natural and applied sciences and related occupations	3,182	6.7%	2,975	7.0%	45,075	9.2%	451,930	7.0%
D Health occupations	2,101	4.4%	1,895	4.4%	20,980	4.3%	340,685	5.3%
E Occupations in social science, education,	4,068	8.6%	3,735	8.7%	40,555	8.2%	546,390	8.4%
F Occupations in art, culture, recreation and sport	1,403	3.0%	1,190	2.8%	14,565	3.0%	200,980	3.1%
G Sales and service occupations	11,657	24.6%	10,430	24.4%	106,925	21.7%	1,522,820	23.5%
H Trades, transport and equipment operators and	5,504	11.6%	4,850	11.3%	53,685	10.9%	911,250	14.1%
I Occupations unique to primary industry	818	1.7%	700	1.6%	6,780	1.4%	165,085	2.6%
J Occupations unique to processing,	2,939	6.2%	2,805	6.6%	26,730	5.4%	463,610	7.2%

Source: Statistics Canada, Census of Population: 2006

Figure 14 displays further analysis into Newmarket's labour force by occupational detail. For the purposes of this report, these occupations were matched to the Town's target industries and are based on the National Occupation Classification System and include: Health, Arts & Cultural occupations, Manufacturing; Knowledge; Sales and Government occupations.

As illustrated, there is a broad distribution of skills and talents in the local workforce. Most notable is the increase in the number of individuals with occupations in the arts, culture and recreation occupations (24.0%) as well as health occupations. Predictive data for 2009, suggests each of these areas of occupation will continue to experience percentage growth of 17.9% and 10.9%, respectively. Further analysis into each of these occupational categories suggests the most significant concentration of arts, culture and recreation occupations is in the technical occupations, while nurse supervisors and registered nurses comprise the largest share of health occupations.

Figure 14 – Detailed Occupational Profile by Target Sector, Newmarket 2001 - 2009

	2009*		2006		2001	
A Management occupations	6,462	100.0%	5,895	100.0%	5,750	100.0%
A0 Senior management occupations	949	14.7%	850	14.4%	810	14.1%
A1 Specialist managers	2,268	35.1%	2,095	35.5%	1,990	34.6%
A2 Managers in retail trade, food and accommodation services	1,448	22.4%	1,340	22.7%	1,310	22.8%
A3 Other managers, n.e.c.	1,796	27.8%	1,610	27.3%	1,645	28.6%
B Business, finance and administration occupations	9,243	18.8%	8,260	20.1%	7,395	22.1%
B0 Professional occupations in business and finance	1,095	11.8%	1,085	13.1%	1,090	14.7%
B1 Finance and insurance administration occupations	640	6.9%	575	7.0%	545	7.4%
C Natural and applied sciences and related occupations	3,182	100.0%	2,975	100.0%	2,610	100.0%
C0 Professional occupations in natural and applied sciences	1,972	62.0%	1,805	60.7%	1,545	59.2%
C1 Technical occupations related to natural and applied sciences	1,211	38.0%	1,170	39.3%	1,065	40.8%
D Health occupations	2,101	100.0%	1,895	100.0%	1,555	100.0%
D0 Professional occupations in health	267	12.7%	230	12.1%	230	14.8%
D1 Nurse supervisors and registered nurses	680	32.4%	655	34.6%	510	32.8%
D2 Technical and related occupations in health	588	28.0%	545	28.8%	475	30.5%
D3 Assisting occupations in support of health services	566	26.9%	465	24.5%	340	21.9%
E Occupations in social science, education, government service and religion	4,068	73.0%	3,735	72.7%	3,085	73.9%
E0 Judges, lawyers, psychologists, social workers, ministers of religion, and policy and program officers	853	21.0%	845	22.6%	750	24.3%
E1 Teachers and professors	2,116	52.0%	1,870	50.1%	1,530	49.6%
F Occupations in art, culture, recreation and sport	1403	100.0%	1190	100.0%	960	100.0%
F0 Professional occupations in art and culture	537	38%	460	39%	370	15.7%
F1 Technical occupations in art, culture, recreation and sport	866	62%	730	61%	590	25.0%
G Sales and service occupations	11,657	62.8%	10,430	62.1%	8,570	61.7%
G0 Sales and service supervisors	346	3.0%	315	3.0%	250	2.9%
G2 Retail salespersons and sales clerks	2,903	24.9%	2,520	24.2%	2,095	24.4%
G3 Cashiers	763	6.5%	740	7.1%	505	5.9%
G9 Sales and service occupations, n.e.c.	3,312	28.4%	2,900	27.8%	2,435	28.4%
J Occupations unique to processing, manufacturing and utilities	2,939	100.0%	2,805	100.0%	2,360	100.0%
J0 Supervisors in manufacturing	217	7.4%	245	12.9%	200	8.5%
J1 Machine operators in manufacturing	675	23.0%	620	32.7%	800	33.9%
J2 Assemblers in manufacturing	1,645	56.0%	1,550	81.8%	1,050	44.5%
J3 Labourers in processing, manufacturing and utilities	402	13.7%	385	20.3%	305	12.9%

Source: Statistics Canada, Census of Population: 2006

Note: Results for Businesss, finance and administration occupations and Occupations in Social Science, education, government service and religion and Sales and service occupations do not reflect the total occupations identified within each category and as a result figures do not add up to 100.0%

Additional cross-referencing between the two digit NAICS industry codes and occupational codes has been identified in Appendix 1.

3.1.9 Labour Force by Creative Occupation

An essential component to determining a community's level of innovation or creativity is an understanding of the degree to which a workforce is skilled or specialized. These types of occupations are often referred to as the creative occupations or the 'creative class' of workers.

In the book *The Rise of the Creative Class*, Professor Richard Florida details the significant societal and economic impact that the creative class of worker is having on both local and international economies and the shifts being made to attract and retain this type of workforce, as more and more economic developers realize the importance of this aspect of a workforce. He defines the creative class as including people in:

- science and engineering,
- architecture and design,
- education,
- arts, music and entertainment

He also includes the broader group of creative professionals in:

- business and finance,
- law, and
- health care and related fields.

In the 2009 report, *Ontario in the Creative Age*, Florida pushes this concept further by positioning creative occupations in the context of four additional broad kinds of work.

- ***Creative occupations*** – the growing number of workers who are paid to think. These include scientists and technologists, artists and entertainers, and managers and analysts.
- ***Routine-service occupations*** - where the work involves little autonomy and is focused on the delivery of services, for example, food-service workers, janitors and clerks;
- ***Routine-physical occupations*** - consisting of people who use physical skills and carry out repetitive tasks (for example, tradespersons, mechanics, crane operators and assembly line workers);
- ***Routine-resource occupations*** - including mining and forestry.

What is apparent from the creative occupational categories is their ability to cut across industry sector lines in a way that can impact both traditional and emerging industries, and the degree to which these occupations translate to a well paid and highly skilled workforce. This is particularly true if one considers the skills needed for creative occupations are more heavily weighted towards analytical[5] and social intelligence[6] skills, both of which play a significant role in a knowledge driven economy.

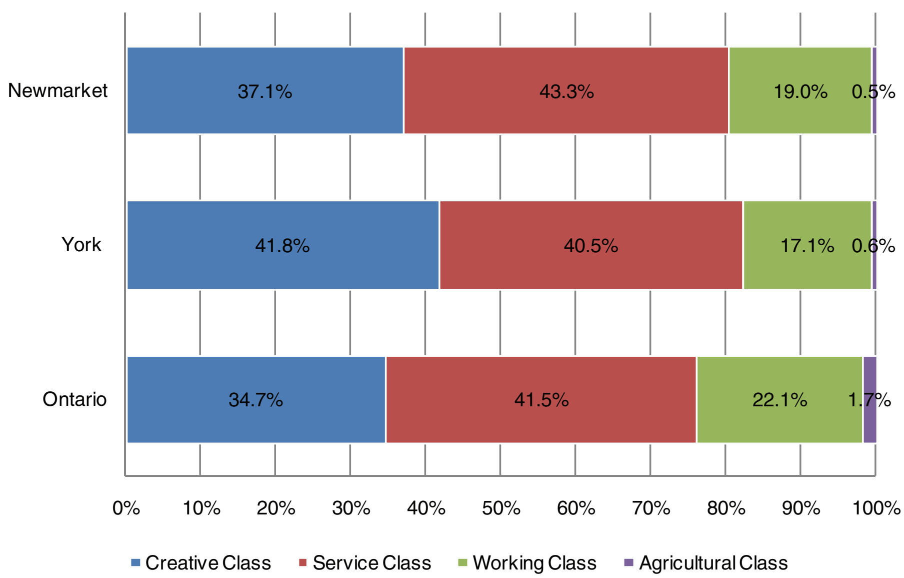
Richard Florida famously coined the 'Three T's' of Technology, Talent and Tolerance to define the conditions for success in the creative economy. Recently he added a fourth T - Territory to reflect the critical role that *quality of place* plays to driving a successful creative economy. His research demonstrates that *where* people choose to live is as important a decision to them as their job, personal finances and choice of spouse or partner. Creative people are highly mobile and able to make these kinds of choices and quality of life decisions based on cost of living, access to cultural amenities, entertainment options, and natural beauty. These factors are often considered to be magnets that attract creative people to a town, city or region.

[5] Examples of occupations that require the highest level of analytical thinking skills include surgeons, biomedical engineers, dentists, accountants, plumber, art directors etc.
[6] Examples of occupations that require the highest level of social intelligence skills include psychiatrists, chief executives, marketing managers, lawyers, sports coach, film directors etc.

While it was previously indicated that there is a high concentration (24.4%) of labour in sales and services occupations, when the concept of creative class occupations are taken into account 37.1% of the labour force is employed in occupations that are classified as creative or knowledge based. When consideration is given to the total 'regional' workforce of York, 41.8% of the local labour force is employed in this emerging creative economy. Both the Town and York Region have outperformed the provincial average in terms of the percentage of its labour force employed in creative class occupations.

Given that this type of employment often equates to a labour force that is highly mobile, the growth of this sector of the economy has significant implications for the direction of the Town's current IT infrastructure and its ability to continue to provide the integration of leading IT technologies into many of the Town's business areas. This would enable creative workers to work in different places around the Town.

Figure 15 –Creative Class Labour Composition, Town of Newmarket, York Region, Ontario: 2006



Further investigation into the composition of the creative class occupations reveals that many of these occupations have a significant presence in each of the Town's target sectors. Figure 16 below identifies the presence of creative occupations in nearly all of the target sectors, with particular significance visible in the following industries:

- **Advanced Manufacturing**
  - Specialist Managers (5.6%)
  - Other Managers (5.8%)
- **Regional Centre**
  - Retail Trade
    - Managers in retail trade, food and accommodation services (14.1%)
  - Public Admin

        - Judges, lawyers, psychologists (7.4%)
        - Technical occupations related to natural and applied sciences (6.7%)
        - Specialist managers (6.2%)
- **Health**
    - Nurse supervisors and registered nurses (16.0%)
    - Technical and related occupations in health (11.0%)
    - Professional occupations in health (5.3%)
- **Knowledge-Based Industries**
    - Information and Cultural Industries
        - Specialist Managers (11.6%)
        - Professional occupations in natural and applied sciences (8.4%)
        - Teachers and Professors (8.0%)
        - Other Managers (7.2%)
        - Technical occupations in art, culture, recreation and sport (6.8%)
    - Professional, Scientific and Technical Services
        - Professional occupations in natural and applied sciences (22.9%)
        - Professional occupations in business and finance (9.4%)
        - Specialist managers (7.8%)
        - Judges, lawyers, psychologists etc… (6.4%)
        - Technical occupations related to natural and applied sciences (6.1%)
        - Senior Management occupations (5.0%)
- **Arts**
    - Technical occupations in art, culture, recreation and sport (22.1%)

Figure 16 – Creative Class Labour Composition, Town of Newmarket, Occupation by Industry: 2006

	31-33 Manufacturing	44-45 Retail trade	51 Information and cultural industries	54 Professional, scientific and technical services	62 Health care and social assistance	71 Arts, entertainment and recreation	91 Public administration
A0 Senior management occupations	2.3%	0.4%	3.2%	5.0%	0.5%	1.0%	3.3%
A1 Specialist managers	5.6%	1.6%	11.6%	7.8%	2.1%	1.4%	6.2%
A2 Managers in retail trade, food and accommodation services	0.7%	14.1%	0.0%	0.3%	0.0%	1.4%	0.0%
A3 Other managers, n.e.c.	5.8%	0.6%	7.2%	2.6%	1.7%	3.8%	4.0%
B0 Professional occupations in business and finance	1.6%	0.5%	0.8%	9.4%	0.7%	1.0%	2.9%
B1 Finance and insurance administrative occupations	0.2%	0.7%	0.8%	2.6%	0.0%	0.0%	1.0%
C0 Professional occupations in natural and applied sciences	4.7%	0.6%	8.4%	22.9%	0.5%	0.0%	5.0%
C1 Technical occupations related to natural and applied sciences	3.3%	0.2%	2.4%	6.1%	0.5%	1.4%	6.7%
D0 Professional occupations in health	0.0%	0.2%	0.0%	0.3%	5.3%	0.0%	0.0%
D1 Nurse supervisors and registered nurses	0.0%	0.0%	0.0%	0.4%	16.0%	0.0%	1.2%
D2 Technical and related occupations in health	0.0%	0.8%	0.0%	0.9%	11.0%	0.0%	1.0%
E0 Judges, lawyers, psychologists, social workers, ministers of religion, and policy and program officers	0.0%	0.2%	0.0%	6.4%	4.8%	1.0%	7.4%
E1 Teachers and professors	0.3%	0.2%	8.0%	0.9%	0.0%	0.0%	0.5%
F0 Professional occupations in art and culture	0.5%	0.2%	4.4%	0.7%	0.5%	9.1%	1.2%
F1 Technical occupations in art, culture, recreation and sport	0.7%	0.6%	6.8%	4.1%	0.0%	22.1%	2.4%

Source: Statistics Canada, Census of Population, 2006

3.2 Summary of Indicators

The Town of Newmarket has experienced strong population and employment growth over the past decade and is projected to grow steadily over the next two decades. The increase in population growth has translated into growth in the labour force across a variety of occupations and industries. Each of the target sectors identified by the NEDAC have experienced moderate to strong levels of growth, which has the capacity to further encourage the Town to pursue these areas of the local economy.

Based on the broad review of Newmarket's local economy, the following findings are considered relevant to the advancement of the Town's target sectors. Additional review of the Town's target sectors on a subsector level will be further discussed in the section to follow.

- Given its central geographic position within the Region, the Town has experienced an outstanding measure of growth at a rate of 30.1% over the past decade (1996 – 2006). Regional population projections for Newmarket and the Region overall, suggest that the local and regional population will reach 97, 300 and 1,507, 400 (respectively) by the year 2031. A healthy level of growth will aid in the future supply of local labour for the Town's emerging target sectors.

- The Town's young population is supported by the share of the population under the age of 20, which is 1.6% and 4.1% higher than the Region and the Province respectively. These figures reinforce the need to promote the retention of the Town's youth to support Newmarket's future economic growth in terms of the promotion and retention of a local labour force.

- The Town of Newmarket has a significant proportion of its working age population with a university certificate, diploma or degree, which may be attributed to the relative closeness of post secondary education opportunities throughout the Greater Toronto Area (GTA). The prevalence of a highly knowledgeable workforce will help to provide a skilled workforce to the Town's various target sector opportunities.

- In 2005, the number of private households earning in excess of $100,000 comprised 38.1% of all households, an increase of 6.1% from 2000 levels, suggesting a positive shift in earnings levels of the local labour force.

- Based on the 2006 census, the local economy was concentrated in the following sectors: Manufacturing (14.3%), Retail Trade (12.7%), Health Care & Social Assistance (8.9%), Professional, Scientific & Technical Services (8.2%) and Educational Services (7.5%). The concentration of labour force by industry closely mirrors the Town's already defined target sector opportunities, which reaffirms the strength associated with each of these industries on a local level.

- As of 2006, the greatest export of labour was in the construction (-1,280 workers) and professional, scientific and technical services (-1,280 workers) industries, followed by wholesale trade (-1,205 workers) and finance and insurance (-1,140 workers). However, based on the results of the place of work data approximately 39.5 % of Newmarket's resident workforce works in Newmarket.

- There is a strong interdependence between Newmarket's creative (knowledge-based) occupations and its five target sectors. Many of the occupations that make up the "creative class" sector of workers can be found within significant segments of the Town's target sector areas.

4 Infrastructure Assessment

4.1 Human Infrastructure Assessment

In order to determine the level and degree of business and industrial specialization, and thus the economic diversity that may be developing in the Town of Newmarket, location quotients ("LQ's") have been calculated to identify and measure the concentration of industry/business activity by major target sectors and sub-sectors.

Location Quotients are a commonly used tool in local/regional economic analysis. They assess the concentration of economic activities within a smaller area relative to the overarching region in which it resides. For the purposes of this study we have calculated location quotients that compare the Town of Newmarket industry sector concentration relative to the Province of Ontario.

A location quotient greater than 1.0 for a given sector indicates a local concentration of economic activity as compared to the overarching region (in this case the Province of Ontario) which may equate to a competitive advantage. Location Quotients equal to 1.0 for a given sector suggest that the Town of Newmarket has the same concentration of economic activity as the overarching region. Finally, a location quotient of less than 1.0 indicates a concentration of economic activity that is less than the overarching region and may point to a gap or disadvantage in attracting this form of business or industry.

In theory, industrial or business concentration that is greater than the overarching region average may represent the export base of the participating municipalities. Businesses that make up this export base may have likely chosen to locate in the area due to certain regional competitive advantages. These competitive advantages can be used to attract further investment in the future in the same or complimentary industries. Definitions for individual sectors are based on the North American Industrial Classification System (NAICS) and are provided in the Appendix to this report.

Using information provided by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) REDDI database, we are able to combine the results of a detailed location quotient analysis with a labour flow analysis (the exporting and importing of labour) in order to determine which sectors represent the greatest potential for economic growth in the community. These include[7]:

- Health Care and Social Services;
- Arts, Entertainment and Recreation;
- Advanced Manufacturing;
- The Knowledge Economy; and
- Newmarket as a Regional Centre

[7] Please note: The following graphs are intended to display only specific 3 –digit sub-sectors in the context of the overall 2- digit target sectors as outlined by NEDAC. These sub-sectors were selected to best represent the growth of each target industry.

The following discussion looks more closely at the performance and nature of employment in each of these sectors.

4.1.1 Health Sector

Currently, the Health Care sector employs 5,225 jobs in Newmarket. Only 3,690 workers are resident[8] in Newmarket with 1,535 workers[9] attracted from outside the community. High location quotient values in relation to jobs (LQ – 1.31) and resident labour force (LQ – 0.93) coupled with a large number of workers from outside of the community suggest a strong competitive advantage. Newmarket's role as a regional service centre has allowed it to attract a higher proportion of health care professionals who choose to work in the community but may or may not live in Town. This is evidenced by the high location quotient values associated with the following subsectors: hospitals (i.e. Southlake Regional Health Centre), nursing and residential care facilities and offices of physicians.

In addition to the growth of the Southlake Regional Health Centre (Cancer Treatment Centre), educational opportunities such as the newly created Research Institute (partnership with York University) and the new Academic Family Health Team (training facility for U of T family medicine residents) will help to grow the local medical community. Additional growth can take the form of many opportunities in attracting small scale medical and diagnostic laboratories as well as a broader range of health and wellness professionals.

[8] Labour Force - number of local residents employed in sector whether or not they work in municipality.
[9] Jobs - number of people employed by local industries; may or may not be residents of the municipality.

Figure 17 – Health Sector, Detailed Subsector Profile, Newmarket, 2006

	Jobs	Labour Force	Net exp(-)/imp(+) of labour	LQ - Jobs	LQ - Jobs Level	LQ - Labour Force	LQ - Labour Force Level
62 Health care and social assistance	5225	3690	1535	1.31	High	0.93	Average
~~6211 Offices of physicians	355	190	165	1.21	Average	0.67	Low
~~6212 Offices of dentists	385	240	145	1.48	High	0.96	Average
~~6213 Offices of other health practitioners	245	195	50	1.14	Average	0.86	Average
~~6214 Out-patient care centres	265	170	95	1.76	High	1.13	Average
~~6215 Medical and diagnostic laboratories	60	55	5	0.75	Average	0.7	Low
~~6216 Home health care services	145	120	25	1.45	High	0.83	Average
~~6219 Other ambulatory health care services	45	95	-50	0.84	Average	1.55	High
~~6220 Hospitals (6221 to 6223)	1885	1140	745	1.48	High	0.93	Average
~623 Nursing and residential care facilities	795	605	190	1.05	Average	0.82	Average
~~6230 Nursing and residential care facilities (6231 to 6239)	795	605	190	1.05	Average	0.82	Average
~~6241 Individual and family services	385	255	130	1.28	High	0.81	Average
~~6242 Community food and housing, and emergency and other relief services	70	20	50	2.96	High	0.86	Average
~~6243 Vocational rehabilitation services	90	80	10	1.49	High	1.31	High
~~6244 Child day-care services	485	505	-20	1.18	Average	1.26	High

Source: Statistics Canada: REDDI Tool: Labour Flow Analysis 2006

4.1.2 Arts and Culture

The arts and culture sector currently provides for 1,210 jobs in Newmarket with much of this dominated by amusement parks and the publishing industry. While the Town of Newmarket demonstrates low location quotient values in the NAICs classified industries of information and culture and arts, entertainment and recreation, the Town's ability to export labour within these industries is average (LQ – 1.11).

During a NEDAC planning session, it was identified that Arts and Culture is an important community asset to residents of Newmarket. It was also identified that this sector contributes positively to the economic development and tourism initiatives of the Town.

An Arts and Culture Master Plan study has been completed. It is expected that the results of the final report will have a significant influence on Arts and Culture in this community. This suggests that the arts, entertainment and recreation industry represents a significant opportunity for the community to attract visitors and investors to the community.

Another key component of this sector is the number of individuals employed in performing arts companies or as independent artists, writers and performers. Currently, the Town exports 70 workers to other communities for employment in this field. This is a valuable opportunity for the

Town to capture this employment and promote the local performing arts community of Newmarket.

Examination of this sector includes assessment of two distinct areas of interest: *information and cultural industries*, and *arts, entertainment and recreation*. Each is described in the following chart.

Figure 18 – Arts & Culture Sector, Detailed Subsector Profile, Newmarket, 2006

	Jobs	Labour Force	Net exp(-)/imp(+) of labour	LQ - Jobs	LQ - Jobs Level	LQ - Labour Force	LQ - Labour Force Level
51 Information and cultural industries	695	1220	-525	0.65	Low	1.11	Average
~511 Publishing industries (except Internet)	330	390	-60	1.09	Average	1.28	High
~~5111 Newspaper, periodical, book and directory publishers	325	295	30	1.4	High	1.25	High
~~5112 Software publishers	10	90	-80	0.14	Low	1.3	High
~512 Motion picture and sound recording industries	60	115	-55	0.43	Low	0.72	Low
~~5121 Motion picture and video industries	55	105	-50	0.44	Low	0.73	Low
~~5122 Sound recording industries	10	10	0	0.69	Low	0.62	Low
71 Arts, entertainment and recreation	515	965	-450	0.62	Low	1.11	Average
~711 Performing arts, spectator sports and related industries	110	180	-70	0.5	Low	0.69	Low
~~7111 Performing arts companies	30	40	-10	0.76	Average	0.79	Average
~~7112 Spectator sports	10	35	-25	0.23	Low	0.72	Low
~~7113 Promoters (presenters) of performing arts, sports and similar events	10	25	-15	0.39	Low	0.98	Average
~~7114 Agents and managers for artists, athletes, entertainers and other public figures	10	10	0	1.63	High	1.4	High
~~7115 Independent artists, writers and performers	50	70	-20	0.48	Low	0.54	Low
~712 Heritage institutions	10	50	-40	0.18	Low	0.88	Average
~~7121 Heritage institutions	10	50	-40	0.18	Low	0.88	Average
~713 Amusement, gambling and recreation industries	400	740	-340	0.72	Low	1.34	High
~~7131 Amusement parks and arcades	0	30	-30	0	Low	1.17	Average
~~7132 Gambling industries	35	40	-5	0.22	Low	0.26	Low
~~7139 Other amusement and recreation industries	360	665	-305	0.98	Average	1.79	High

Source: Statistics Canada: REDDI Tool: Labour Flow Analysis 2006

4.1.3 Advanced Manufacturing

The following figure demonstrates the concentration of manufacturing activity across a broad range of sub-sectors. Despite the average LQ performance (LQ 1.03) the sector still employs in excess of 7,500 employees making it a significant contributor to local employment. The sector is also able to draw a regional workforce of 1,635 employees, which is an important consideration for businesses looking for a stable workforce.

Caution must be taken when viewing this sector as a target opportunity given the general decline of the manufacturing sector in Ontario in recent years. Currently the most significant concentration of manufacturing employment is in the transportation equipment manufacturing (i.e. TS Tech Canada Inc.), fabricated metal product manufacturing (i.e. Forging and Stamping) and machinery manufacturing subsectors.

Figure 19 – Advanced Manufacturing Sector, Detailed Subsector Profile, Newmarket, 2006

	Jobs	Labour Force	Net exp(-)/imp(+) of labour	LQ - Jobs	LQ - Jobs Level	LQ - Labour Force	LQ - Labour Force Level
31-33 Manufacturing	7535	5900	1635	1.29	High	1.03	Average
~311 Food manufacturing	225	275	-50	0.41	Low	0.51	Low
~312 Beverage and tobacco product manufacturing	10	40	-30	0.12	Low	0.48	Low
~313 Textile mills	0	15	-15	0	Low	0.4	Low
~314 Textile product mills	10	20	-10	0.21	Low	0.43	Low
~315 Clothing manufacturing	65	85	-20	0.54	Low	0.71	Low
~316 Leather and allied product manufacturing	0	10	-10	0	Low	0.72	Low
~321 Wood product manufacturing	160	155	5	0.82	Average	0.81	Average
~322 Paper manufacturing	20	130	-110	0.11	Low	0.7	Low
~323 Printing and related support activities	150	465	-315	0.57	Low	1.86	High
~324 Petroleum and coal products manufacturing	0	10	-10	0	Low	0.37	Low
~325 Chemical manufacturing	90	300	-210	0.3	Low	1.03	Average
~326 Plastics and rubber products manufacturing	150	345	-195	0.34	Low	0.81	Average
~327 Non-metallic mineral product manufacturing	55	105	-50	0.37	Low	0.69	Low
~331 Primary metal manufacturing	10	105	-95	0.04	Low	0.39	Low
~332 Fabricated metal product manufacturing	1530	890	640	2.6	High	1.54	High
~333 Machinery manufacturing	1175	395	780	2.7	High	0.93	Average
~334 Computer and electronic product manufacturing	565	410	155	1.71	High	1.29	High
~335 Electrical equipment, appliance and component manufacturing	120	80	40	0.74	Low	0.51	Low
~336 Transportation equipment manufacturing	2900	1675	1225	2.49	High	1.48	High
~337 Furniture and related product manufacturing	80	255	-175	0.3	Low	0.95	Average
~339 Miscellaneous manufacturing	220	160	60	1.09	Average	0.81	Average

Source: Statistics Canada: REDDI Tool: Labour Flow Analysis 2006

4.1.4 Knowledge Sector

As identified by NEDAC's planning session in July 2008, the focus of Newmarket's knowledge sector is centered on the actions to secure a post-secondary campus with a 'knowledge' focus linked to the three areas of interest: *information technology, environmental services and financial services.* The following tables illustrate the Town's current employment levels associated with each of these knowledge-centred industries.

The professional services sector in Newmarket has increased by 55.4% between 2001 and 2006 and currently provides for 2,145 jobs in Newmarket. While the overall performance produces a low to moderate LQ[10] (LQ .73 jobs) (LQ 1.13 resident labour force), many of the subsectors represent significant opportunities for growth.

The professional and business services sector in Ontario and the Greater Toronto Area continues to grow at a rapid rate. Employment associated with professional, scientific and technical services operations in the GTA increased by 8.5% from 2001 to 2006 representing 9.7% of the total labour force.

Currently the most significant concentrations of professional, scientific and technical service employment, both in terms of jobs and resident labour force, are concentrated in architectural, engineering and related services and management, scientific and technical consulting services. These subsectors represent key targets for the Town's sector opportunities.

Figure 20 - Knowledge Sector, Detailed Subsector Profile, Newmarket, 2006

	Jobs	Labour Force	Net exp(-)/imp(+) of labour	LQ - Jobs	LQ - Jobs Level	LQ - Labour Force	LQ - Labour Force Level
~541 Professional, scientific and technical services	2145	3420	-1275	0.73	Low	1.13	Average
~~5411 Legal services	245	305	-60	0.59	Low	0.77	Average
~~5412 Accounting, tax preparation, bookkeeping and payroll services	240	315	-75	0.7	Low	0.9	Average
~~5413 Architectural, engineering and related services	440	590	-150	1.04	Average	1.33	High
~~5414 Specialized design services	110	205	-95	0.73	Low	1.33	High
~~5415 Computer systems design and related services	410	890	-480	0.62	Low	1.28	High
~~5416 Management, scientific and technical consulting services	365	520	-155	1.01	Average	1.37	High
~~5417 Scientific research and development services	55	110	-55	0.34	Low	0.7	Low
~~5418 Advertising and related services	130	245	-115	0.62	Low	1.14	Average
~~5419 Other professional, scientific and technical services	150	230	-80	0.67	Low	1.0	Average

Source: Statistics Canada: REDDI Tool: Labour Flow Analysis 2006

The following table represents a subsector profile for the IT and Finance and Insurance industries. The most significant concentration of employment activity, both in terms of jobs and resident labour force, is within the navigational, measuring, medical and control instruments manufacturing subsector. This subsector had a location quotient performance of 4.77 in terms of the concentration of jobs and a resident labour force location quotient value of 3.33.

Despite the low to mid LQ performance (LQ .44 jobs) (LQ 1.03 resident labour force) the Finance and Insurance sector still employs in excess of 935 employees and exports an additional 2,075 workers to employment opportunities across the GTA and surrounding communities.

[10] LQ based on jobs

Figure 21 – IT Subsector Profile, Newmarket, 2006

	Jobs	Labour Force	Net exp(-)/imp(+) of labour	LQ - Jobs	LQ - Jobs Level	LQ - Labour Force	LQ - Labour Force Level
IT Sector							
~~3333 Commercial and service industry machinery manufacturing	60	35	25	1.71	High	1.03	Average
~~3341 Computer and peripheral equipment manufacturing	10	40	-30	0.23	Low	0.97	Average
~~3342 Communications equipment manufacturing	60	25	35	0.68	Low	0.29	Low
~~3343 Audio and video equipment manufacturing	0	0	0	0	Low	0	Low
~~3344 Semiconductor and other electronic component manufacturing	90	50	40	0.98	Average	0.57	Low
~~3345 Navigational, measuring, medical and control instruments manufacturing	400	270	130	4.77	High	3.33	High
~~3346 Manufacturing and reproducing magnetic and optical media	10	15	-5	0.57	Low	0.89	Average
~~3359 Other electrical equipment and component manufacturing	95	55	40	2.07	High	1.23	Average
~~5112 Software publishers	10	90	-80	0.14	Low	1.3	High
~~5121 Motion picture and video industries	55	105	-50	0.44	Low	0.73	Low
~~5152 Pay and specialty television	15	10	5	3.72	High	2.44	High
~~5171 Wired telecommunications carriers	100	235	-135	0.58	Low	1.34	High
~~5182 Data processing, hosting and related services	0	50	-50	0	Low	1.66	High
~~5413 Architectural, engineering and related services	440	590	-150	1.04	Average	1.33	High
~~5415 Computer systems design and related services	410	890	-480	0.62	Low	1.28	High
~~5416 Management, scientific and technical consulting services	365	520	-155	1.01	Average	1.37	High
~~5417 Scientific research and development services	55	110	-55	0.34	Low	0.7	Low
52 Finance and insurance	935	2075	-1140	0.44	Low	1.01	Average
~521 Monetary authorities - Central bank	0	0	0	0	Low	0	Low
~~5211 Monetary authorities - Central bank	0	0	0	0	Low	0	Low
~522 Credit intermediation and related activities	440	895	-455	0.42	Low	0.89	Average
~~5221 Depository credit intermediation	390	770	-380	0.45	Low	0.91	Average
~~5222 Non-depository credit intermediation	20	90	-70	0.18	Low	0.84	Average
~~5223 Activities related to credit intermediation	30	35	-5	0.51	Low	0.61	Low
~523 Securities, commodity contracts, and other financial investment and related activities	240	405	-165	0.56	Low	0.97	Average
~~5231 Securities and commodity contracts intermediation and brokerage	105	130	-25	0.56	Low	0.72	Low
~~5232 Securities and commodity exchanges	0	10	-10	0	Low	1.69	High
~~5239 Other financial investment activities	135	270	-135	0.57	Low	1.17	Average
~524 Insurance carriers and related activities	250	770	-520	0.4	Low	1.27	High
~~5241 Insurance carriers	45	380	-335	0.13	Low	1.18	Average
~~5242 Agencies, brokerages and other insurance related activities	205	390	-185	0.71	Low	1.39	High
~526 Funds and other financial vehicles	0	0	0	0	Low	0	Low
~~5261 Pension funds	0	0	0	0	Low	0	Low
~~5269 Other funds and financial vehicles	0	0	0	0	Low	0	Low

Source: Statistics Canada: REDDI Tool: Labour Flow Analysis 2006

4.1.5 Regional Centre

As a recognized Urban Growth Centre within the provincially mandated Places to Grow Strategy, an already large number of organizations, government-related agencies and retail businesses that all serve a large market area are located within Newmarket.

The retail trade sector in Newmarket has increased by 15.4% between 2001 and 2006 and is predicted to remain steady in 2009. Currently, the industry provides for 6,660 jobs within the

Town. A further 5,145 local workers are employed in the sector but do not work in Newmarket suggesting an opportunity to attract additional business operations to the community. The retail sector has an LQ performance of 1.43 (based on jobs) which also suggests that the Town has developed a competitive advantage in this regard.

Newmarket's location in relation to the GTA coupled with the growth and development that is occurring in the Region represents a significant opportunity in the attraction of new business investment in the retail sector as well as aspects of the municipal services sector.

Figure 22 – Retail Trade Sector, Detailed Subsector Profile, Newmarket, 2006

	Jobs	Labour Force	Net exp(-)/imp(+) of labour	LQ - Jobs	LQ - Jobs Level	LQ - Labour Force	LQ - Labour Force Level
44-45 Retail trade	6660	5145	1515	1.43	High	1.13	Average
~441 Motor vehicle and parts dealers	815	670	145	1.74	High	1.48	High
~442 Furniture and home furnishings stores	265	160	105	1.31	High	0.8	Average
~444 Building material and garden equipment and supplies dealers	445	360	85	1.47	High	1.22	Average
~446 Health and personal care stores	360	360	0	0.98	Average	1	Average
~448 Clothing and clothing accessories stores	865	525	340	1.66	High	1.03	Average
~451 Sporting goods, hobby, book and music stores	400	270	130	1.86	High	1.28	High
~453 Miscellaneous store retailers	595	465	130	1.76	High	1.39	High
~454 Non-store retailers	100	105	-5	0.93	Average	0.88	Average

Source: Statistics Canada: REDDI Tool: Labour Flow Analysis 2006

The public administration sector in Newmarket has increased by 8.1% between 2001 and 2006 and current provides for 3,180 jobs in Newmarket. While the overall performance produces a medium to high LQ performance (LQ 1.35 jobs, LQ 0.91 labour), there are also opportunities among individual subsectors.

Figure 23 – Public Administration Sector, Detailed Subsector Profile, Newmarket, 2006

	Jobs	Labour Force	Net exp(-)/imp(+) of labour	LQ - Jobs	LQ - Jobs Level	LQ - Labour Force	LQ - Labour Force Level
91 Public administration	3180	2060	1120	1.35	High	0.91	Average
~911 Federal government public administration	530	360	170	0.49	Low	0.36	Low
~~9111 Defence services	0	70	-70	0	Low	0.29	Low
~~9112 Other federal government public administration (9112 to 9119)	530	290	240	0.62	Low	0.38	Low
~912 Provincial and territorial public administration	420	310	110	0.91	Average	0.69	Low
~~9120 Provincial and territorial public administration (9121 to 9129)	420	315	105	0.91	Average	0.7	Low
~913 Local, municipal and regional public administration	2235	1390	845	2.92	High	1.81	High
~~9130 Local, municipal and regional public administration (9131 to 9139)	2235	1390	845	2.92	High	1.81	High
~914 Aboriginal public administration	0	0	0	0	Low	0	Low
~~9141 Aboriginal public administration	0	0	0	0	Low	0	Low
~919 International and other extra-territorial public administration	0	0	0	0	Low	0	Low
~~9191 International and other extra-territorial public administration	0	0	0	0	Low	0	Low

Source: Statistics Canada: REDDI Tool: Labour Flow Analysis 2006

4.2 Economic Infrastructure Assessment

Statistics Canada's Canadian Business Patterns Data provides a record of business establishments by industry and size. Sources of information are updates from the Statistics Canada survey program and the Business Number registration source collected from the Canada Revenue Agency (CRA). The business data collected for the Town of Newmarket includes all local businesses that meet at least one of the three following criteria:

- Have an employee workforce for which they submit payroll remittances to CRA; or
- Have a minimum of $30,000 in annual sales revenue; or
- Are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years.

The Canadian Business Patterns Data records business counts by "Total", "Indeterminate" and "Subtotal" categories. The establishments in the "Indeterminate" category include the self-employed (i.e. those who do not maintain an employee payroll, but may have a workforce consisting of contracted workers, family members or business owners). It should be noted that the Canadian Business Patterns Data uses CRA as a primary resource in establishments counts; therefore, businesses without a Business Number or indicating annual sales less than

$30,000 are not included. The population of these small, unincorporated businesses is thought to be in the range of 600,000 in all of Canada.[11]

In order to gather an understanding of the Town of Newmarket's business growth and decline over the last five years, a detailed review of the Canadian business patterns data for the period between June 2004 and June 2009 was completed. Along with the previous industry analysis, business patterns data will help to support the identification of the Town's target sector opportunities.

Using Statistics Canada's Canadian Business Pattern Data[12], which provides a record of the total number of local business establishments by industry and size, figure 24 illustrates the pattern of business growth for the Town of Newmarket and the overarching Region of York based on the number of employees.

From 2004 to 2009, the growth in the number of business establishments for all industries in Newmarket was 49.2% (842 establishments). During the same time period, York Region's business community grew at a slightly slower pace of 21.4% or 6,829 business establishments. When Newmarket's business establishments were reviewed by employee size, businesses with 1-4 and 5-9 employees grew at the fastest rate, with percentage growth values of 54.5% and 64.3% (respectively) as compared to the Region's performance at a rate of 36.9% and 24.0%, respectively for the same time period.

Positive growth was also felt throughout Newmarket's medium sized businesses, with growth values of 40.0% among the Town's business establishments employing 50-99 workers. Reviewing the trends of York Region business establishments suggests a loss of business between 2004 and 2009, with the most notable drop having impacted businesses in the 100–199 employee range. The Region also experienced negative growth in four out of eight employee size ranges. York Region Employment and Industry Review 2008, suggests the Region experienced a business mobility rate[13] of 10% (estimated) in 2008, which had actually declined from 2007 levels of 13%.[14] While the business patterns data suggest much of the Region's loss of business establishments was mainly attributed to medium to large businesses, the Employment and Industry Review suggests the majority of business closures in York Region were smaller businesses. The inconsistency in data findings may be the result of different methodologies administered by Statistics Canada and the Region while conducting each of the respective surveys. On the other hand, business mobility in Newmarket was low at a rate of approximately 3%.

[12] Sources of information are updates from the Statistics Canada survey program and the Business Number registration source collected from the Canada Revenue Agency (CRA).

[13] The rate at which businesses have closed or relocated outside of the survey area as a percentage of total firms

[14] York Region Employment & Industry 2008

Figure 24 - Business Formation, by size of employment, Newmarket & York Region (2004 – 2009)

	Newmarket				York Region			
	2009	2004	(Net Change 04 -09)	(Percentage Change 04 -09)	2009	2004	(Net Change 04 -09)	(Percentage Change 04 -09)
Subtotal	2,552	1,710	842	49.2%	38,681	31,852	6,829	21.4%
1-4	1,386	897	489	54.5%	23,375	17,079	6,296	36.9%
5-9	524	319	205	64.3%	6,613	5,333	1,280	24.0%
10-19	342	240	102	42.5%	4,214	4,030	184	4.6%
20-49	164	147	17	11.6%	2,703	3,252	(549)	-16.9%
50-99	70	50	20	40.0%	994	1,226	(232)	-18.9%
100-199	34	31	3	9.7%	471	590	(119)	-20.2%
200-499	21	19	2	10.5%	233	267	(34)	-12.7%
500 +	11	7	4	57.1%	78	75	3	4.0%

Source: Statistics Canada, Canadian Business Patterns Data: 2004 & 2009

Based on the most recent 2009 Canadian Business Patterns data, the following sectors comprise the largest proportion of businesses in Newmarket (excluding the self employed).

- Professional, Scientific and Technical Services (14.3% of businesses)
- Retail Trade (14.1% of businesses)
- Health Care and Social Assistance (11.3% of businesses)
- Other Services (11.2% of businesses)
- Construction (9.9% of businesses)

The following sectors experienced the highest rate of growth in the Town of Newmarket between 2004 and 2009:

- Agriculture, Forestry, Fishing and Hunting (450% increase)
- Other Services (except public administration) (126.2% increase)
- Educational Services (95.5% increase)
- Information and Cultural Industries (93.8% increase)
- Transportation & Warehousing (87.9% increase)

There is a slightly different pattern of growth in York Region, as the following sectors experienced the highest rate of growth between 2004 and 2009:

- Other Services (except public administration) (130.2% increase)
- Transportation & Warehousing (66.9% increase)
- Mining and Oil and Gas Extraction (48.1% increase)
- Public Administration (33.3% increase)
- Professional, Scientific and Technical Services (21.5% increase)

Figure 25 - Business Formation Summary, Newmarket and York Region – 2 Digit NAICs (2004 - 2009)

	Newmarket				York Region			
	2009	2004	(Net Change 04 - 09)	(Percentage Change 04 - 09)	2009	2004	(Net Change 04 - 09)	(Percentage Change 04 - 09)
Total								
11 Agriculture, forestry, fishing and hunting	33	6	27	450.0%	235	249	(14)	-5.6%
21 Mining and oil and gas extraction	1	1	-	0.0%	40	27	13	48.1%
22 Utilities	6	5	1	20.0%	31	27	4	14.8%
23 Construction	252	156	96	61.5%	4,346	4,057	289	7.1%
31-33 Manufacturing	170	99	71	71.7%	2,716	2,842	(126)	-4.4%
41 Wholesale trade	162	92	70	76.1%	3,493	3,282	211	6.4%
44-45 Retail trade	361	292	69	23.6%	3,836	3,441	395	11.5%
48-49 Transportation and warehousing	62	33	29	87.9%	1,043	625	418	66.9%
51 Information and cultural industries	31	16	15	93.8%	464	390	74	19.0%
52 Finance and insurance	83	69	14	20.3%	1,334	1,202	132	11.0%
53 Real estate and rental and leasing	75	50	25	50.0%	1,482	1,298	184	14.2%
54 Professional, scientific and technical services	364	274	90	32.8%	6,500	5,351	1,149	21.5%
55 Management of companies and enterprises	29	17	12	70.6%	649	686	(37)	-5.4%
56 Administrative and support, waste management and remediation services	129	81	48	59.3%	1,896	1,642	254	15.5%
61 Educational services	43	22	21	95.5%	438	329	109	33.1%
62 Health care and social assistance	289	231	58	25.1%	2,362	1,897	465	24.5%
71 Arts, entertainment and recreation	29	24	5	20.8%	421	383	38	9.9%
72 Accommodation and food services	142	111	31	27.9%	2,081	1,809	272	15.0%
81 Other services (except public administration)	285	126	159	126.2%	5,294	2,300	2,994	130.2%
91 Public administration	6	5	1	20.0%	20	15	5	33.3%

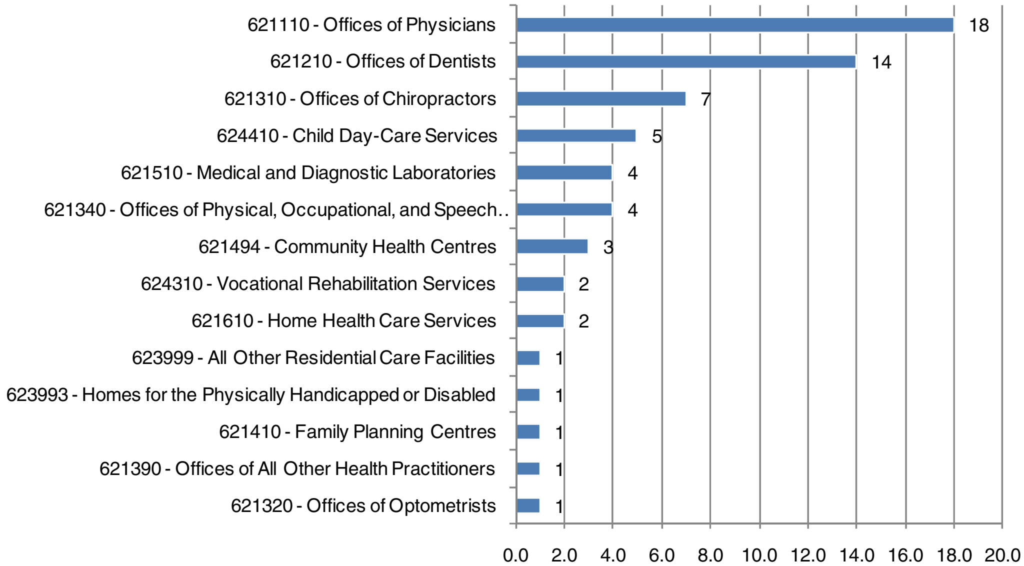
Source: Statistics Canada, Canadian Business Patterns Data: 2004 & 2009

4.2.1 Target Sectors by Business Establishment Growth

The following section reviews each of the Town's target sectors by business establishment growth. Each graph depicts the greatest level of growth by target sector and more specifically sub-sector from 2004 to 2009.

Figure 26 shows the greatest number of growth in business establishments directly related to the Health sector occurred in the subsector identified as offices of physicians with a net gain of 18 establishments over the five year reference period. This high level of growth can be attributed to the clustering of related offices around the Southlake Regional Health Centre as addressed in the Town of Newmarket Health Sector Economic Development Analysis & Implementation Strategy (draft version 2009).

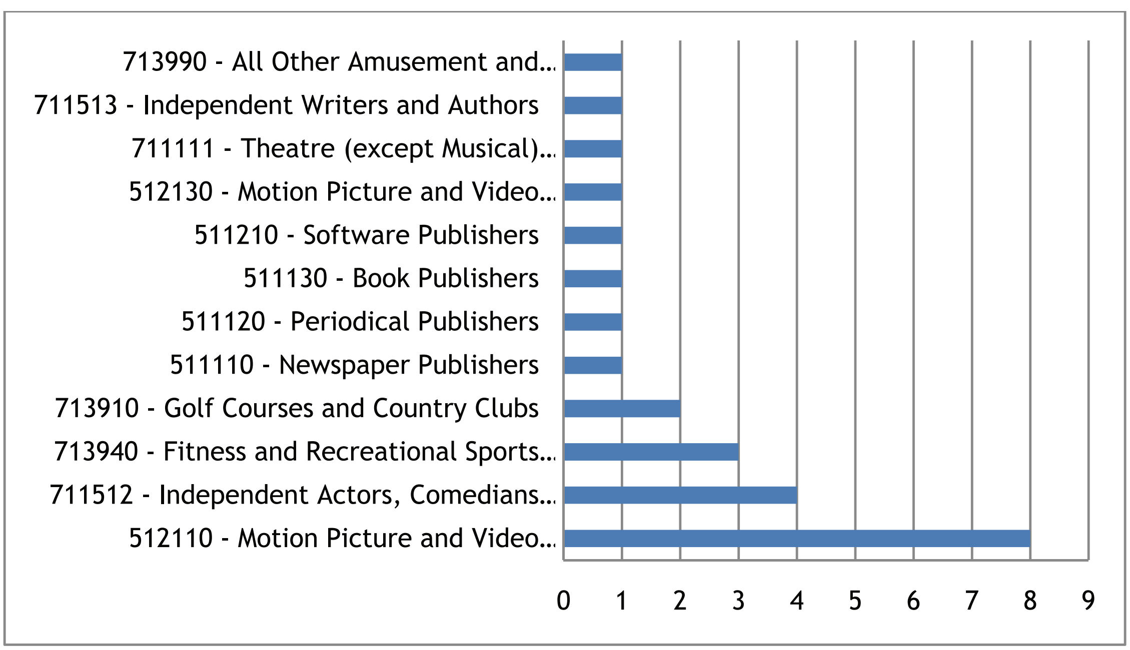
Figure 26 – Health Industry, Net Gain of Businesses by Subsector (Newmarket): 2004-2009



Source: Statistics Canada, Canadian Business Patterns Data, 2009

Figure 27 provides a detailed understanding of the concentration of business growth within the subsectors of the Arts & Culture industry in Newmarket. From 2004 to 2009, the most significant net gain in the Town's businesses related to the cultural industry was in the Motion Picture and Video Production subsector with the addition of 8 businesses to the overall industry during the five year reference period.

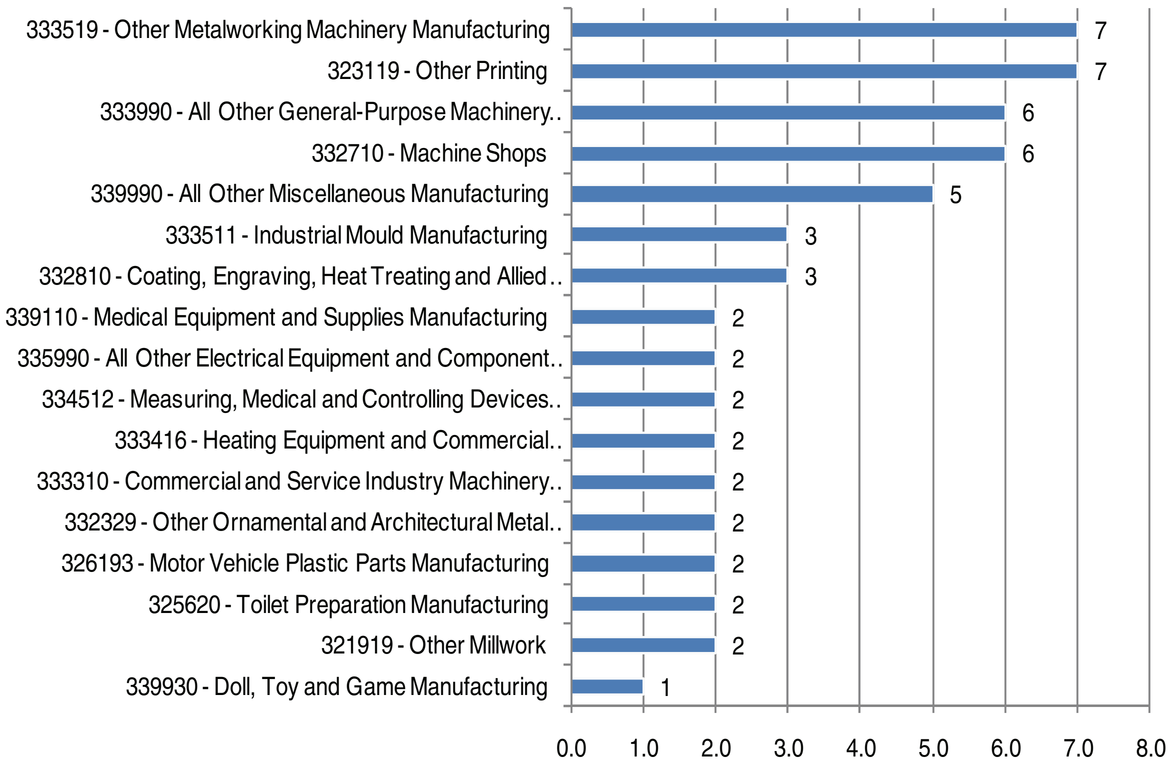
Figure 27 – Arts & Culture Industry, Net Gain of Businesses by Subsector (Newmarket): 2004-2009



Source: Statistics Canada, Canadian Business Patterns Data, 2009

In total, Newmarket's manufacturing sector gained 71 businesses between 2004 and 2009, despite the onset of the provincial downturn in the manufacturing industry during this period. The greatest level of growth occurred in the following subsectors: other metalworking machinery manufacturing (gain of 7 businesses), other printing (gain of 7 businesses) and all other general-purpose machinery (gain of 6 businesses).

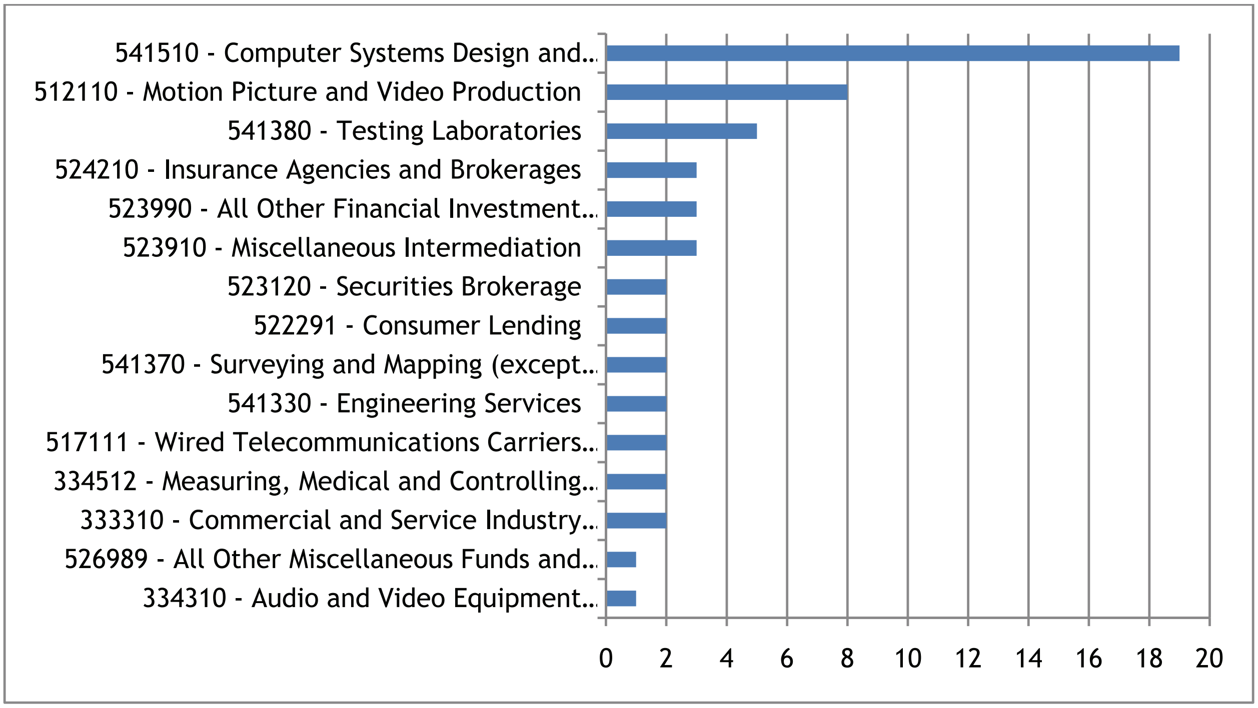
Figure 28 – Advanced Manufacturing Industry, Net Gain of Businesses by Subsector (Newmarket): 2004 -2009



Source: Statistics Canada, Canadian Business Patterns Data, 2009

The greatest level of growth associated with the Knowledge sector was experienced in the computer systems design and related services subsector, with the addition of 19 new businesses to Newmarket. The increase in businesses within this subsector was most strongly felt within the business size category of 1-4 employees. Growth experienced in the knowledge sector's IT-related small businesses is suggestive of a high level of entrepreneurship and has implications for economic development efforts with regards to support for this segment of the businesses market.

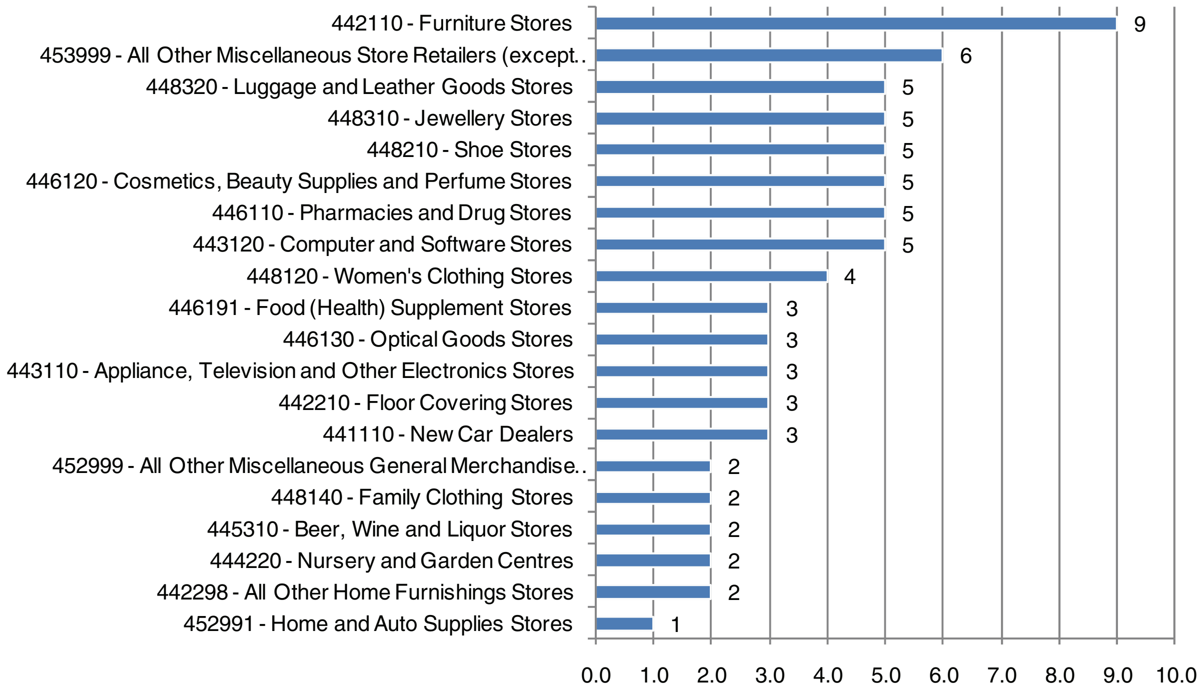
Figure 29 – Knowledge Industry, Net Gain of Businesses by Subsector (Newmarket): 2004 -2009



Source: Statistics Canada, Canadian Business Patterns Data, 2009

The retail sector experienced similar levels of strong growth as did the advanced manufacturing sector with the addition of 69 business establishments between 2004 and 2009. The greatest gain of businesses occurred within the furniture stores, all other miscellaneous store retailers and luggage and leather goods stores. The growth in this sector further supports Newmarket's ability to provide retail services not only to the local population, but also to the greater region.

Figure 30 – Regional Centre (Retail & Public Administration Industry), Net Gain of Businesses by Subsector (Newmarket): 2004-2009



Source: Statistics Canada, Canadian Business Patterns Data, 2009

The only net change that occurred within the public administration industry was within the subsector of municipal regulatory services.

4.3 Physical Infrastructure Assessment

In order to determine the suitability of Newmarket to meet the needs of existing and potential businesses, the project team undertook a review and assessment of general infrastructure and employment lands in the Town in order to identify any potential constraints.

General Infrastructure Assessment

Utilities and Servicing (Hydro, Water, Wastewater)

Water supply in the Town of Newmarket is delivered through a combination of groundwater and water from Lake Ontario. The Region of York delivers groundwater to the Town via production wells owned and operated by the Region. Regional storage reservoirs located throughout the Town provide additional storage. In order to decrease the stress on the underground aquifer from the quickly expanding population of the Town and the adjacent areas, as well as provide the additional security of having a second water source, surface water from Lake Ontario was introduced to Newmarket and Aurora in 2008. The initial supply from Lake Ontario will be approximately 10% of the total water supplied, but the expansions allow for a maximum of 35% of the two Municipality's water demand by 2031. Based on this supplemented supply of water, the Town seems to have adequate capacity for existing or expanded industries over the medium to longer term.

The Region of York provides wastewater services to the Town through an agreement with the Region of Durham. Wastewater is collected through the York-Durham Sewer System (YDSS) and treated at the jointly-owned Duffin Creek Water Pollution Control Plant (WPCP) in Pickering. In order to ensure capacity for the expected growth of York Region and Durham Region, the wastewater capital strategy identifies both 'twinning' of the sewers and pumping stations in the Region, as well as expansions to the WPCP. In August 2009, the Federal and Provincial governments announced a $93 million contribution to the approximately $500 million in planned WPCP upgrades. Without these upgrades, the WPCP is projected to exceed current capacity by 2010, so there will be further collaboration between all levels of government to complete expansions. Though this is a threat to both residential and employment growth, investments are being made to accommodate the growth, so this should not be an impediment.

The 2008 Municipal Study by BMA Consulting provides comparative data on water and sewer costs for select municipalities in Ontario. The table below illustrates Newmarket's position amongst comparator communities and the relative cost compared to the entire sample of municipalities. Newmarket exhibits higher commercial and industrial servicing costs than many of the comparator municipalities in the GTA but maintains a 'Mid' level cost burden relative to the entire sample of municipalities.

Figure 31 Comparison of Water/Sewer Costs, 2008

Land Use Volume	Residential 250 m^3		Commercial 10,000 m^3		Industrial 30,000 m^3		Industrial 500,000 m3	
Mississauga	$291	Low	$12,554	Low	$37,661	Low	$627,685	Low
Brampton	$291	Low	$12,554	Low	$37,661	Low	$627,685	Low
London	$655	Mid	$16,369	Low	$38,514	Low	$615,273	Low
Toronto	$434	Low	$17,352	Low	$41,643	Low	$694,050	Low
Vaughan	$459	Low	$15,513	Low	$44,783	Mid	$634,669	Low
Markham	$442	Low	$17,671	Mid	$53,013	Mid	$883,550	Mid
Guelph	$562	Low	$18,238	Mid	$53,549	Mid	$858,438	Mid
Oakville	$638	Mid	$19,745	Mid	$54,117	Mid	$827,870	Mid
Burlington	$638	Mid	$19,745	Mid	$54,117	Mid	$827,870	Mid
Richmond Hill	$463	Low	$18,518	Mid	$55,554	Mid	$925,900	Mid
Newmarket	**$626**	**Mid**	**$19,424**	**Mid**	**$57,984**	**Mid**	**$964,144**	**Mid**
Hamilton	$549	Low	$20,718	Mid	$61,354	Mid	$998,337	Mid
Cambridge	$637	Mid	$21,396	High	$64,009	High	$1,062,323	High
Kitchener	$667	Mid	$26,694	High	$80,082	High	$1,334,700	High

Source; BMA Consulting, 2008

Hydro is delivered by Newmarket-Tay Power Distribution Ltd. (Newmarket Hydro), which is wholly owned by the Town of Newmarket. This means that should there be required changes to servicing or supply based on economic development activities, the Town has a controlling interest. Connected to the provincial grid, Newmarket is ensured a stable and continuous supply of hydro for all local businesses, as well as potential new businesses. The Smart Meter technology currently used by residents and businesses in Newmarket is an asset to both the utility and consumers. Among providing demand-based pricing and thus savings to users who choose to use high-consumption appliances in off- or mid-peak times, Smart Meter technologies shape demand into a more constant curve, rather than sudden 'peak' demands at different points in a day. This minimizes the need to use idle or 'on-demand' infrastructure (which is often coal or other less environmentally desirable generation technologies) to accommodate suddenly increasing energy demands. It also improves system reliability by reducing the severity of 'peak demand' events, which can potentially cause blackouts or brownouts if in excess of capacity. With phased implementation across the Province, these benefits will begin to spread across the provincial grid.

Telecommunications and IT Infrastructure

For telecommunications and IT infrastructure, the Town appears very well positioned based on the presence of major telecommunications providers, as well as the increasing integration of leading IT technologies into many of the Town's business sectors. Fibre-optic and high-speed business and home ADSL services currently exist throughout York Region, with high bandwidth extensions possible to virtually anywhere in the Region. In addition, advanced digital cellular and wireless network coverage from some of the Canada's largest telecommunications firms is available to business and residential customers in the Town.

Advancements being made within many of the Town's business sectors suggest both a highly functional existing IT infrastructure, as well as a greater shift towards a more knowledge-based economy in general. Newmarket Hydro ran a pilot program testing Smart Meter technologies from 2004 to 2007, representing one of the first movements towards larger scale IT integration into a regional business. The project was largely a success, and the utility began a phased implementation of Smart Meters into the entire service area in November 2007, which has resulted in the majority of businesses and residents using Smart Meters. Though Smart Meters have gained traction around the province as Ontario legislation has mandated their implementation, Newmarket remained one of the first movers in this regard. Underlying the implementation and expansion was a strong network of telecommunications to facilitate the two-way communications between the meters themselves and the operator/utility.

More recently, a notable technology upgrade has been made as a result of Canada's Economic Action Plan. In September 2009, a partnership between the Town of Newmarket, the Newmarket Chamber of Commerce and Tourism Information Centre, and the Southlake Regional Health Centre accepted $2.1 million in federal government funding from the Community Adjustment Fund (CAF) in order to construct a shared digital infrastructure between the partners. The project highlights include the digitization of archived paper-based information at the Town's library, the implementation of Radio Frequency Identification technologies, new video conferencing labs at the Chamber and the Library, and improved video conferencing capabilities at Southlake Regional Health Centre.

For the library, the investment represents a move towards increased digitization of services and resources. The new conferencing capabilities and business infrastructure will provide the Chamber with better access to local businesses as well as leverage the use of technology to position member businesses within the increasingly knowledge-based economy by accessing new markets and reaching new audiences. For the Southlake Regional Health Centre the project represents an important movement towards a leadership role for the hospital in telemedicine and eHealth initiatives. This initial investment in a shared technology infrastructure creates an important base for possible expansions into other areas of the community, perhaps integration with SmartGrid/Smart Meter technology at Newmarket Hydro or municipal service delivery improvements. Overall, the investment represents an important step towards Newmarket positioning itself within the emerging knowledge-based economy.

Transportation Links - Roads and Highways

The Town has direct access to several important Provincial Highways and Regional Roads, which offer further access to the provincial highway network. Highway 404 interchanges with Highway 9 on the eastern edge of the Town, providing access to Highway 401. Further, Highway 9 provides an important east-west transportation route, offering access to Highway 400. In addition, Yonge Street, Bathurst Street, Main Street (Bayview Street), and Leslie Street all run through the Town, providing good access to municipalities to the South, as well as alternate routes to Highway 401.

Pearson International Airport is the closest airport to the Town of Newmarket for passenger and freight travel. The Airport lies less than 70km from the Town, and is accessible via Highways 404-401. There is an impediment in the amount of traffic congestion along the routes connecting to the airport, but this is not unique to Newmarket. It is a problem shared by many of the municipalities a similar distance away. While a much smaller facility, the Region of York is home to the Buttonville Airport, which provides Regional residents with personal and charter air services.

Newmarket also has connections to important regional transit networks. The VIVA 'blue line' runs all-day service along the Yonge Street Corridor, connecting the Newmarket GO bus terminal with Richmond Hill Centre Terminal and the Finch GO bus terminal. In addition, York Region Transit offers several local bus lines that filter to the VIVA express line, as well as the Newmarket GO station, which is positioned on the Barrie-Bradford GO train line. The only limitation with regards to inter-regional transit is the lack of all-day train service from Newmarket. Like many other GO train stations on the outer periphery of the GTA, trains are only available during AM/PM peak periods, limiting train travel to the south (or North in the afternoon) throughout the day. The all-day VIVA 'blue-line' offers connections to more frequent GO bus service to the south, as well as local YRT routes and TTC routes serving York Region. The announced funding for the VivaNext project in June 2009 has direct effects on bus rapid transit in the Town, with dedicated rapidways along Yonge Street, and Davis Drive connecting to the

Southlake Regional Health Centre. This is among the $1.5 billion in improvements announced over the next five years.

As a result of the rapid population and employment growth of York Region, traffic congestion has become a major problem, especially along the major Highway 404/DVP Corridor. With projected growth of the population to approximately 1.5 million in 2031, congestion will likely become more of a problem if left unaddressed. The Smart Commute Central York initiative promotes alternative modes of travel and work arrangements, as well as researches appropriate commuting options for businesses in the Central York area. As with the other Smart Commute initiatives in the GTA, the goals are to ease traffic congestion, reduce greenhouse gas emissions, and promote alternative modes of travel, such as transit, carpooling, teleworking, biking, and walking. Transit improvements, like the ones noted above, will further facilitate modal shifts encouraged by the Smart Commute initiative.

Employment Lands Assessment

Like many of the other municipalities in the northern GTA, Newmarket is directly influenced by provincial planning policy, both the *Greenbelt Plan* and the *Growth Plan for the Greater Golden Horseshoe (Places to Grow).* As Newmarket is surrounded by the Oak Ridges Moraine to the west, and ‘Protected Countryside’ greenbelt areas to the East (as well as Aurora to the South and the Town of East Gwillimbury to the North), greenfield expansion opportunities are limited for the Town. In 2007, the York Region Vacant Employment Land Inventory indicated that there were only 147 acres (59 ha.) of net vacant employment land in Newmarket as of July 2006, down from 187 acres (76 ha.) in the 2005 Vacant Employment Land Inventory. In both years, this was the smallest supply of vacant employment lands in the Region.

With the exception of larger contiguous parcels in the Leslie/Mulock Employment Area and the Leslie South employment area, many of the vacant parcels were smaller in size, and often fractured from one another, limiting land assembly options. The 2007 Vacant Employment Land Inventory noted only one parcel above 10 ha. (27 ac. or 11 ha.) in Newmarket. However, the inventory noted further that Newmarket was the only municipality in York Region with 100% of its vacant employment lands serviced. With the exception of small parcels in the Parkside Employment Area and the Mulock Southwest Employment Area, all vacant employment lands offered quick access to Highway 404.

In the absence of greenfield development options, the Town will need to look to intensification and redevelopment of employment lands to accommodate the estimated 7,600 additional jobs allocated to the Town from the Region under the *Places to Grow* legislation. This includes infill development or intensification of currently underutilized employment lands, as well as redevelopment of existing employment lands should they become available. Similar to planning for Provincial Urban Growth Centres (of which Newmarket has one at the intersection of Yonge Street and Davis Drive) the Province envisions employment areas as compact and transit supportive, with minimized surface parking. The Town has a notable advantage in that all employment lands are currently serviced, as well as policies in the Official Plan protecting the existing employment and business park lands from conversion.

However, to ensure that these lands can effectively compete with the greenfield opportunities in surrounding municipalities, the Town will need to make sure that land use policies are created to overcome potential barriers to intensification or redevelopment, including costs associated with contaminated lands, zoning restrictions, and compatibility with existing uses. In the 2008 *Planning for Employment in the Greater Golden Horseshoe* background paper, the Province suggests that an effective way to do this is through financial and other development tools, including Community Improvement Plans (CIPs), Development Charge waivers/exemptions, Design Control Provisions, or Brownfield incentives. While the Town is doing an excellent job using some of these tools to encourage residential and major office development within the downtown area, the Provincial urban growth centre, the regional centres along the Yonge corridor, and the Regional Healthcare Centre; similar policies encouraging development in the existing employment lands are less defined.

5 Community Consultations

5.1 Stakeholder Interviews

In order to understand the perspective of local business and community leaders on the Town of Newmarket's economic development issues, the project team conducted a series of telephone interviews with key stakeholders. These stakeholders were prominent business and community leaders identified by the Town of Newmarket for their expert knowledge of the local economy and the local community. In all, 21 people were consulted through this process. The stakeholders interviewed included:

1. Barbara Bartlett, Best Western Voyageur Place Hotel
2. Tim Brown, Relation Manager, TD Canada Trust
3. Andrea Calla, Director of Business Development, Tridel Corporation
4. Rob Clarke, RC Design Group
5. Patricia Cousins, CEO, Social Enterprise Canada
6. Judy Craig, Visual and Performing Arts Newmarket
7. Steven Dengler, President, XE.COM
8. Patrick Draper, Director of Economic Strategy, Region of York
9. Paul Dutton, SNAP Newspaper Group
10. Donna Fevreau, Senior Account Manager, Royal Bank
11. Bill Fisch, Regional Chair & CEO, Regional Municipality of York
12. Raffi Kaprelyan, Vice President, Canada's Wonderland
13. Robert Lassaline, Senior Sales Representative, Cushman & Wakefield LePage
14. Bill McTavish, Dundee Wealth Management
15. Dan O'Toole, President, Phoenix Systems
16. Doug Peters, General Manager, Upper Canada Mall
17. Paul Rookwood, Vice President, Minto Communities (Toronto) Inc.
18. Debra Scott, President & CEO, Newmarket Chamber of Commerce
19. Dave Sherry, President, Unity Telecom Corporation
20. Beth Sinyard, Curator of the Elman W. Campbell Museum
21. Peter Sturrup, Pickering College

The following provides a summary of the responses received. All responses have been aggregated to preserve the anonymity of individual respondents.

1. Why did you choose to locate or relocate your business to Newmarket?

Most businesses indicated that they chose Newmarket because of its feeling of community, Main Street charm, rich heritage and culture, and its characteristics that make it a good place to raise a family. On the business side, Newmarket is less expensive to operate from than the larger cities, has a good transport network and has a good service area for business development and growth.

2. *Why has Newmarket been a successful place for your business to operate from?*

The most predominant response was that Newmarket is a vibrant economic regional hub with a pattern of rapid growth. Most businesses felt there is a strong labour pool in Newmarket to choose from, including professionals, who have access to housing and do not have to commute. Good access to 400 series highways and lower rental costs make Newmarket a good place to do business combined with its proximity to Toronto. Other responses included:

- The hospital is an economic driver
- Go-train service is an advantage
- Household income levels of the trade area are higher than provincial average
- Town has entrepreneurial roots and spirit
- Local businesses are owner operated and not plant branches
- There is a sense of belonging to a larger business community

3. *What are Newmarket's advantages for promoting economic growth and business development?*

The advantage that all businesses noted was the community's location, including its transportation links (e.g. airport proximity and access to series 400 highways), as well as the benefits of being centrally located in York Region and between several major centres. On the negative side, concern was expressed regarding high taxes and development charges, as well as a lack of available land and infrastructure for future development. Respondents felt that future development could be restricted in some sectors, such as advanced manufacturing, due to limited land availability. Hydro and broadband were also identified as areas needing improvement. Other advantages were noted as:

- Excellent quality of life for employees, including housing stock and good transportation for access to the workplace
- Superior hospital which provides strong economic spin off benefits
- Supportive and well connected business community
- Helpful development staff
- Good labour pool – need exists for unskilled labour

4. *The Town of Newmarket has chosen five areas to target future growth. What strengths/weaknesses does the area have in these sectors?*

a. **Health, wellness and life sciences** – all business leaders interviewed felt that the Southlake Regional Health Centre is a strong asset for Newmarket and has huge potential in the future for R&D, teaching and leadership in the areas of cancer care and other specialties including cardiac and vision care. It was felt that the centre has a low environmental impact, is a large employer and will contribute positively towards Newmarket's reputation.

b. **Advanced manufacturing** – while businesses felt that there are strong assets to support this industry (i.e. transportation, labour etc.), there is limited available land to actively encourage development, and limited infrastructure capabilities.

c. **Arts and culture** – it was felt that a vibrant arts and culture community is very important to a community and is a factor in determining whether new families choose Newmarket as their home. Municipal leaders seem to recognize the importance of culture to a community, and are taking steps to engage the community in this area. This is a slow process because of Newmarket's lack of history in culture and the arts. However, it was also felt that Newmarket is possibly too close to other major centres with more defined arts communities, and doesn't have a post-secondary educational institution to stimulate growth in this area. It was further felt that this sector doesn't employ a lot of people and should be carefully considered as a growth sector.

d. **Regional centre** – most felt that Newmarket is already a regional centre with a strong public administration sector. The Town has a large catchment area and is a natural hub for regional services.

e. **Knowledge-based economy** – Newmarket was considered to have some weaknesses in its telecommunications infrastructure. Questions were raised regarding the number of people usually employed in this sector, and whether Newmarket has the amenities usually sought after by those in this sector, including an arts and culture community and facilities. It was still felt that this is a growth sector possibility once the infrastructure issues have been addressed.

5. What opportunities does Newmarket have to stimulate growth or new business investment?

Business felt there were a variety of opportunities to advance economic development in Newmarket including:

- Good location in which to promote regional service oriented businesses
- Excellent quality of life near to the cities but in reach of the country
- Downtown development – strong main street charm with history and character
- Need to tell the world about success stories in Newmarket
- Intensification and infilling in the Town and projected population growth north of Town will create opportunities for certain businesses
- Southlake Regional Health Centre – continuing development in R&D and specialty growth
- Expansion of already existing small and medium sized businesses
- Build on partnerships – provide networking opportunities

6. What are the future threats or key barriers to growth of economic development in Newmarket?

In general, businesses felt that Newmarket needs good leadership that supports business development. It was felt that lack of office/professional space, lack of serviced available land and infrastructure issues (water/sewer/hydro/telecommunications) are threats to future growth. There were further concerns regarding red tape for development, tax rates and a need for improved city transit. Other comments included:

- Lack of a post secondary institution
- Lack of hotels/conference centre
- Need to diversify the economy
- Need to balance the ratio between residential and commercial development as well as city development and green spaces
- Bureaucratic expropriation process to expand Davis Drive
- Increasing property values on Yonge Street may constrain growth

7. ***Have you worked with Newmarket's economic development office and were they able to assist?***

Ten of the eighteen businesses interviewed had occasion to work with Newmarket's economic development office. Opinion was very positive, citing that the department staff are very "pro development", receptive and helpful. It was noted that the staff could be more involved in long-term planning and less on day to day issues. It was further felt that the department has limited resources for long-term planning and specific projects. Positive comments were received about the Mayor's roundtable initiative.

8. ***How can economic development staff work with your company/organization to encourage economic growth?***

Several suggestions were made to facilitate business growth in Newmarket. The most repeated suggestion was open communications and dialogue between the Town and businesses in the form of visitations, open forums and direct contact to ensure that future visions are similar in form. It was felt that Newmarket should be marketed to the outside in a more visible way, and that collaboration between municipal leaders and businesses should be more transparent. Other suggestions included:

- Need to have a serious look at IT – it doesn't currently sit at the executive table
- Continue to maintain current data and statistics – this is very helpful to businesses
- Conduct a traffic study on Main Street
- Let businesses know of opportunities
- Help businesses through the red tape process
- Promote a sustainability agenda
- Meet with new businesses
- Advise the banks who target sectors are – more communication needed
- Staff need to be more informed of the lending process

6 Sector Analysis and Value Proposition

6.1 Sector Analysis

6.1.1 Advanced Manufacturing

Newmarket's advanced manufacturing sector was defined by NAICS as:

- Food manufacturing
- Beverage and tobacco product manufacturing
- Textile mills/textile product mills
- Clothing manufacturing
- Leather and allied product manufacturing
- Wood product manufacturing;
- Paper manufacturing
- Printing and related support activities
- Petroleum and coal products manufacturing
- Chemical manufacturing
- Plastics and rubber products manufacturing
- Non-metallic mineral product manufacturing
- Primary metal manufacturing
- Fabricated metal product manufacturing
- Computer and electronic product manufacturing
- Electrical equipment, appliance and component manufacturing
- Transportation equipment manufacturing
- Furniture and related product manufacturing
- Miscellaneous manufacturing.

Industry Trends

In order to understand the restructuring occurring in the manufacturing industry, consideration must be first given to the role the Chinese government has played in the evolution of manufacturing. In less than a generation, the Chinese government has been successful in attracting foreign direct manufacturing investment. Much of the government's success has been driven by China's low production costs, vast supply of labour and preferential tax treatment.

However, the production cost advantages once enjoyed by China's manufacturing sector have changed. The cities along China's coastal regions have developed as manufacturing centres. Efforts by the Chinese government have most recently been employed to spread manufacturing wealth to a greater region inland.

Looking forward, the attractiveness of China as a low cost production centre will be less appealing, as manufacturers look outside of China's manufacturing centres along the coastal region and to either interior locations in China or outside of the country.

Deloitte's 2009 report, entitled *"China: Still Manufacturing's Shining Star?"*, states companies that deploy manufacturing offshore fall into three categories:

1. ***Cost cutters*** *— aim to lower production costs by locating in areas with abundant, low-cost production inputs (typically meaning lower labour costs, but also including lower-cost taxes, utilities, transportation or even enhanced government incentives).*
2. ***Market Builders*** *— aim to establish in areas where they can effectively penetrate a new or growing base of customers driven by convenient market access, logistics and customer demographics.*
3. ***Talent Seekers*** *— aim to attract and retain specific pools of knowledgeable, creative, technologically advanced talent for R&D or advanced manufacturing, and are attracted to destinations with renowned educational institutions, incumbent companies with similarly high talent requirements, and living conditions conducive to attracting highly qualified, educated and mobile talent.*

The Deloitte report states that cost cutters have driven manufacturing growth in China. However, wage escalation in the manufacturing centres, rising real estate costs and fuel price volatility over the previous two years have hampered these manufacturers. China as a location advantage for low cost production is threatened from other low cost manufacturing centres such as Vietnam, India, Mexico and Poland.

Market builders locate in jurisdictions where there is an increasing level of wealth or disposable income. The newfound spending power of China's middle class leads to an increased demand for automobiles, consumer products, health care and other products. Foreign manufacturers are keenly interested in obtaining market share in China, which involves localizing production. If China is successful in the efforts to redistribute income and population to outside of the coastal regions, the market builders will follow the consumer spending in the interior.

The Deloitte report states that talent seekers are enticed by the desire to tap a large, highly skilled labour pool of scientists, engineers, technicians and skilled production labour. Enrolment in Chinese schools has grown significantly to help foster the large-scale research and development growth and attraction of manufacturing technologies. This report further states that talent seekers will continue to be lured by:

- China's abundant and improving pool of technical talent
- An education system that continues to advance that is relevant to manufacturers needs
- More managers, scientists and engineers gaining valuable experience working for foreign companies
- Steadily improving English language skills and
- A flow of Chinese professionals and students returning to China.

Canada's Advanced Manufacturing Sector

Canada's advanced manufacturing sector, of which Ontario accounts for approximately 40% of the gross output, is in the midst of cost pressures. A KPMG Advanced Manufacturing survey revealed that businesses are finding their margins squeezed by parity with the US dollar, rising energy costs and rising raw material costs. Further to rising costs is the economic slowdown, which is resulting in declining exports to the US. Canadian companies are counting on cost savings and productivity improvements moving forward. The leading strategies for Canadian advanced manufacturers to grow will be through process/efficiency improvements and new product development.

The core characteristics of advanced manufacturing are the integration and utilization of technologies in production systems to improve processes and the delivery of goods and services. To this end, innovation and the integration of leading edge technologies has been a major contributing factor to labour productivity growth in manufacturing, gains in market share, and the survival of Canada's and Ontario's manufacturers. Much of the innovation and integration of leading edge technologies flows from research and development centres, commonly associated with educational institutions or health care centres. In addition, innovative solutions to process improvements for advanced manufacturers are commonly sourced from engineering and design firms.

Ontario's Green Economy

The Province of Ontario's *Green Energy Act (*GEA) received Royal Assent in May, 2009. The Province states that the GEA will do the following:

- Spark growth in clean and renewable sources energy such as wind, solar, hydro, biomass and biogas in Ontario
- Create the potential for savings and better managed household energy expenditures through a series of conservation measures and
- Create 50,000 jobs for Ontarians in its first three years.[15]

This legislation has the potential to provide business and employment opportunities in Ontario's advanced manufacturing sector through the design, engineering and production of renewable energy supplies. Local businesses will be more willing to invest in new technologies and products when there are opportunities in the province.

Newmarket's Focus and Assets

Advanced manufacturing growth in Newmarket will focus on:

- Automotive parts and related by:
  - Retaining the existing manufacturing base
  - Seeking advanced manufacturing investment
- Medical devices
- Environmental products, devices, equipment, instruments, etc.

A key asset for Newmarket is the large number of small and medium enterprises in the advanced manufacturing sector. This indicates the presence of local entrepreneurs and less

[15] Ontario's Green Energy Act (2009). http://www.mei.gov.on.ca/en/energy/gea/, viewed on November 16th, 2009.

dependence on branch plants or large multi-national corporations to provide employment opportunities.

Another asset is the Southlake Regional Health Centre. This Centre's regional health care service programs include cardiac care, cancer care, child and adolescent eating disorders, child and adolescent mental health, paediatric and perinatal care and thoracic care.

Growth Opportunities

The key growth opportunities that the Town of Newmarket should focus its efforts towards include the following.

- Create forums for manufacturers and supporting engineering and design firms to explore opportunities to further improve efficiencies to retain local manufacturing employment.
- Communicate Southlake Regional Health Centre's procurement policies to the local advanced manufacturing sector.
- Create forums for manufacturers to explore new business opportunities created through the movement towards a green economy.
- Facilitate the development of partnerships between local manufacturers for employment recruitment efforts.

6.1.2 Arts and Culture

The set of industries that form Newmarket's Arts & Culture sector are defined by five NAICS sectors. They include:

- Performing arts, spectator sports and related industries (NAICS 711)
- Heritage institutions (NAICS 712)
- Amusement, gambling and recreation industries (NAICS 713)
- Accommodation services (NAICS 721) and
- Food services and drinking places (NAICS 722).

These industries are involved in the creation, production, distribution and preservation of core culture goods and experiences.

Industry Trends

The Conference Board of Canada's (2008) report entitled *Valuing Culture: Measuring and Understanding Canada's Creative Economy* examined five important trends that are shaping Canada's culture sector:

- **Canada's population and labour force are aging and becoming increasingly diverse**

The Canadian aging profile has implications for the labour market and the way people spend their time and money. As people age they generally are more likely to become less active and less inclined to engage in strenuous activities.[16]

Immigration is playing an important role in shaping Canada's population. With fertility rates at approximately 1.5 births per woman in Canada, immigration is required to increase Canada's population. Immigration has social and economic benefits to the country as it becomes increasingly diverse. This diversity drives changes in consumer patterns and behaviour. The Conference Board of Canada states that increased diversity affects demand for multilinguistic music and television programming, written media and other culture goods and services.

- **Global interconnectivity is expanding**

More and more people around the world are connecting through the Internet. The percentage of Canadians connecting through the Internet is among the highest in the world. The Conference Board of Canada states that digital technologies influence how people spend their time and provide growing options for media choices. There have been substantial changes in the way people learn, work and play. For example, millions of Internet users have accounts on social networking sites such as Facebook.

Online commerce has transformed industries including the Arts and Culture Sector. This transformation is a result of increasing speed for streaming and downloading arts and cultural products.

- **Today's cultural consumer is engaged in the industry**

The Conference Board of Canada's (2008) report *Valuing Culture: Measuring and Understanding Canada's Creative Economy* states that there are three trends that are affecting the consumption of culture goods and services. They are prosumerism, "the long tail" and social networking.

Prosumerism is a customers' desire to participate directly in generating value from products and services. It is driven largely by consumers' demands for personal freedom and expression. Examples include YouTube (broadcasting), "The Sims" (an interactive game) and BitTorrent (a file-sharing program).

"The long tail" appeals to a narrow audience of consumers who collectively make up a substantial market share. This business model creates a change in the way many cultural industries sell their products and services. Chris Anderson, editor-in-chief of *Wired* magazine and author to *The Long Tail* states that the future of entertainment is in the millions of niche

[16] Foot and Stoffman (2000). *Boom, Bust and Echo,* p.148.

markets that could not be supported by the physical space of bricks-and-mortar retail stores, movie theatres, TV stations and radio stations.

Through social networking, consumers can engage in commercial transactions. Consumers participate in social networking to become part of a virtual community. Services such as Craigslist help consumers connect with communities that match their personal profiles.

- **Intellectual property and international copyright laws are increasingly important**

Intellectual property and international copyright is fundamental to business models supporting the Arts and Culture Sector. The World Intellectual Property Organization (WIPO) states that copyright includes literary and artistic works such as novels, poems and plays, films, musical works, artistic works such as drawings, paintings, photographs and sculptures, and architectural designs. Rights related to copyright include those of performing artists in their performances, producers of phonograms in their recordings, and those of broadcasters in their radio and television programs.[17] The international piracy of these cultural goods has become a critical copyright issue.

- **Arts and culture has a role in generating, regenerating and branding "creative cities".**

The "Creative Economy" or "Creative Class" has been popularized by scholars such as Richard Florida and Charles Landry. The economic theory suggests that economic success of nations and cities depends on their capacity to generate innovative business models and increase productivity. Creativity is at the source of innovation.

The presence of culture clusters or niche concentrations of culture industries are considered to be important indicators for creative cities. These culture clusters serve as "hotbeds of creativity", wealth generators and magnets for talent.

Industry Trends: National and Provincial

In 2003, culture industries contributed an estimated $43.2 billion to the Canadian economy, accounting for 3.8% of Gross Domestic Product.[18] All provinces reported growth in culture output from 1996 to 2003, with overall growth at the national level averaging 48.4%.

In 2003, Ontario accounted for the largest share of culture output (approximately $20 billion or 46% of national output). The province imported $3 billion in culture goods and exported almost $1.3 billion. The three levels of government spent approximately $7.4 billion on culture activities throughout Canada. The federal government contributed $3.2 billion, followed by provincial governments at $2.2 billion and municipalities at $2.0 billion. In Ontario, the three levels of government spent approximately $2.9 billion on cultural activities. The federal government

---

[17] World Intellectual Property Organization (2009), What is Intellectual Property, http://www.wipo.int/about-ip/en/, viewed on November 12th, 2009.

[18] Statistics Canada (2007). Economic Contribution of the Culture Sector to Canada's Provinces, Catalogue No. 81-595-MIE2006037.

contributed $1.4 billion, followed by the municipalities at $0.9 billion and the province at $0.6 billion.

Statistics Canada's *Economic Contribution of the Culture Sector to Canada's Provinces* (2003) further states:

- Ontario had the greatest share (41% or over 252,000 jobs) of culture employment in Canada.
- Culture's share of total employment in Ontario was 4.1%.
- A majority (71%) of culture workers in Canada were employed in the private sector.
- All provinces, with the exception of Saskatchewan, reported a rise in self-employment (24% in 1996 to 26% in 2003) in the culture sector.

By 2007, the three levels of government spent approximately $8.7 billion on culture activities throughout Canada, an increase of 17.6% from 2003. In Ontario, the three levels of government spent approximately $3.1 billion on cultural activities. The federal government contributed $1.4 billion, followed by the municipalities at $1.0 billion and the province at $0.7 billion.[19]

Newmarket's Focus & Assets

The development of Newmarket's Arts and Culture sector will focus on:

- Festivals and events that have the ability to attract internal and external audiences and generate secondary economic activity
- Developing a multi-purpose community cultural/seminar facility, and
- The Performing Arts.

Despite that Newmarket is a regional centre for public administration and retail services, the Town's arts and culture assets do not provide the same draw. The key arts and culture assets include:

- Newmarket Theatre – provides a venue for performing arts entertainment.
- Magna Centre – the features include an Olympic-sized and three NHL-sized ice rinks, two pools, a full-sized gymnasium and walking track and three multi-purpose rooms.
- The Resurgence Theatre Company – provides Newmarket with live professional theatre performances.
- A range of community festivals and events throughout the year.

Several arts and culture assets are located throughout York Region (and outside of Newmarket) that can draw visitors/ tourists from a larger market. These assets include the McMichael Canadian Art Collection, Markham Theatre, Red Barn Theatre, Sharon Temple and Blue Willow Garden and Butterfly Conservatory.

---

[19] Statistics Canada (2009). Government Expenditures on Culture. Catalogue No. 87F0001X.

Newmarket's sector is supported with three hotel brands: Best Western, Holiday Inn Express and the Comfort Inn. However, several larger hotels and conference centres are located in the southern York Region municipalities: Vaughan, Richmond Hill and Markham.

Growth Opportunities

For Newmarket's arts and culture assets and sector to be vibrant requires York Region to have a strong tourism economy. Newmarket's arts and culture product offerings must complement the greater tourism region and appeal to the knowledgeable and technologically savvy consumer. The key growth opportunities that Newmarket should focus its efforts towards include:

- Identify a festivals and events niche that is unique in the Ontario tourism market and attracts multi-cultural audiences.
- Partner with regional tourism stakeholders for marketing Newmarket's festivals and events using new media technologies.
- Identify niche sports tourism markets that can be developed in Newmarket using the Magna Centre as the venue.
- Partner with performing arts companies to attract high profile artists/musicians to Newmarket.
- Encourage the local community to contribute to elevating Newmarket's arts and culture sector by using new media technologies.
- Create spaces that allow for arts and cultural enthusiasts to develop their talents.

6.1.3 Health, Wellness and Life Sciences

The *Newmarket Health Sector Economic Development Analysis & Implementation Strategy* report (2009) states that the health, wellness and life sciences sector is concerned with the provision, distribution and consumption of health care services and related products. Statistics Canada categorizes Canada's health sector according to the North American Industry Classification System (NAICS) – i.e. *Sector 62 Health Care and Social Assistance*. As detailed below, Sector 62 includes both health care and social assistance activities, given the overlapping boundaries of these two activities:

- Ambulatory Health Care Services
  - Offices of physicians
  - Offices of dentists
  - Offices of other health practitioners
  - Out-patient care centres
  - Medical and diagnostic laboratories
  - Home health care services
  - Other ambulatory health care services
- Hospitals
- Nursing and Residential Care Facilities, and
- Social assistance
  - Individual and family services

- Community food and housing, emergency and other relief services
- Vocational rehabilitation
- Child day-care services.

A number of other NAICS sectors are also inter-related with the health care sector:

- Sector 42 – Wholesale Trade (e.g. subsector 42345 Medical, Dental and Hospital Equipment and Supplies Merchant Wholesalers);
- Sector 54 - Professional, Scientific, and Technical Services (e.g. subsector 5417 Scientific Research and Development Services); and
- Sector 61 – Educational Services (e.g. subsector 61131 Colleges, Universities, and Professional Schools).

Industry Trends

As a capital intensive industry dependant on external sources of income to fuel research and development, the recession has left a lasting toll on many sub-sectors of the health, wellness and life sciences sector. Thus, industry activity is being influenced to reflect these new realities where capital (risk or otherwise) may not be as easy to come by. The following trends are generally affecting the health, wellness and life sciences sector:

- **Extended recession affecting industry prospects as well as competition for capital**

The health, wellness and life sciences sector is very capital intensive. From private research and development to funding for entrepreneurs/start-ups and early-stage ventures, health services industries require substantial capital to both launch and operate. The PricewaterhouseCoopers' (PwC) report, entitled *2009 Canadian Life Sciences Industry Forecast*, indicated that raising capital was the most notable challenge to Canadian Life Sciences businesses, indicating that the CEOs surveyed were expecting funding to come from strategic partnerships as well as venture capitalists and other private equity, with government funding expected from only 16% of participants[20]. Overall though, prospects for funding were down for life sciences companies in 2009. Furthering the problems is competition from other sectors for available capital, especially oil and gas. While always a problem for health services companies in Canada, the issue has been exacerbated by the lengthy recession limiting the overall amount of capital available to Canadian Industry.

Reflective of the current economic conditions, Canadian life sciences companies are looking at several strategies to ensure economic growth in light of tighter markets for credit and capital. PwC indicated that the most popular strategies for Canadian life sciences companies included:

- Participating in a merger or being acquired
- Licensing or selling intellectual property
- Co-development of products or strategic partnerships

[20] PricewaterhouseCoopers, Canadian Life Sciences industry Forecast, 2009

- **Growth of industry convergence**

In light of slowing research and development, intensifying cost pressures, expanding consumer demand, and increasing competition, there is a drive for business in health services to pursue a strategy of convergence. Industry convergence in health services is not a new concept, as health care research has long been understood to have applications in environmental and agricultural industries. Information and Communications Technology (ICT) research and advancements have aided in the development of advanced medical diagnostics and devices, as well as in the field of bioinformatics. What is increasingly being noted is the integration of the three subsectors of medical services: pharmaceuticals, devices, and biotechnology.

Deloitte's 2007 Study of *Strategies for Growth in Canada's Life Sciences Organizations* noted that ICT and knowledge-based companies and organizations that ignore these potential partnerships and alliances are severely limiting their growth potential. This places importance on the gathering of market intelligence by firms to understand consumer demand, identify portfolio gaps, and strategically approach industry convergence. Examples of this inter-industry convergence are noted in the following table.

Figure 32 – Examples of Health, Wellness and Life Sciences Sector Convergence

Device-Drug/Biologic
Drug-eluting stent that opens and prevents restenosis (narrowing of blood vessels) in coronary and peripheral arteries
Diagnostic-Drug/Biologic
Screening test for the presence of specific genes or proteins coupled with targeted drug therapy
Diagnostic-Device-Drug/Biologic
Glucose monitor with an insulin pump

Adapted from: Deloitte, Diagnosis: Transformation, 2007, p.15.

- **Integration of Non-traditional industries**

Related to convergence within the industry, the sector is facing increased integration of non-traditional players, primarily from the ICT sector. For example, the increased intersection of ICT and Life Sciences in the field of health informatics is producing new products from large ICT players; one example being Microsoft's Amalga, which provides comprehensive, real-time biomedical and patient information to clinical staff and health professionals. The further integration of ICT into the health, wellness and life sciences sector undoubtedly offers the potential for improved products as well as improved health care delivery.

However, some regard should be given to what is really driving this integration. In Deloitte's 2009 industry outlook it was noted that inefficiencies and high costs in the health care sector were driving innovations from names outside of the health, wellness and life sciences sector, including Google, Intel, Microsoft, Verizon and other technology and telecommunications companies. These ICT companies share qualities not common to life sciences industries, in that they are driven by innovation; well developed in terms of global vision of operations; technology savvy; and able to maintain strategic flexibility in planning, development, and implementation. Deloitte notes the lessons learned from industries outside of health care clearly illustrate that substantial market share can be gained from established players by companies coming along with newer, cheaper, or better products. The health, wellness and life sciences sector as a whole needs to better understand the potential for these external forces to completely change the industry.

- **Movement from a 'blockbuster' to a 'niche-buster' product development model**

Overall the trends above seem to reflect the greater trend in the global life sciences sector – that is, the movement from an emphasis on the next 'blockbuster' product, to development of the next 'niche-buster' product. The niche-buster product is in direct contrast to traditional products, spreading the risk further across the life sciences value chain through industry convergence and providing products highly targeted to 'niche' populations, or personalized medicine/therapies. In Deloitte's 2009 industry outlook, they state the following trends are assisting this shift:

  - Mergers and acquisitions (M&A), licensing, partnership, and divestiture as life sciences companies restructure and decide what they will look like in the future
  - Increased innovation and technology integration and
  - Acquisition of near end-of-patent products for redistribution or application as a generic version.

Newmarket's Focus and Assets

Newmarket's Health, wellness and life sciences sector growth will focus on:

- Direct hospital services delivered by Southlake Regional Health Centre
- Teaching, research and development, and learning/training through formalized university post-secondary partnerships with Southlake Regional Health Centre
- Advanced, high value manufacturing of health products and attraction of health services applicable to the Canadian hospital sector.

Newmarket's key sector asset is the Southlake Regional Health Centre. With 400 physicians and 2,500 (full time equivalent) employees, this health centre is the largest employer in the Town.[21] Southlake offers six regional programs, which are:

- Cardiac care
- Cancer care
- Child and adolescent eating disorders

[21] Town of Newmarket Health Sector Economic Development Analysis & Implementation Strategy (2009). Completed by IBI Group, p.10.

- Child and adolescent mental health
- Paediatric and perinatal care; and
- Thoracic care.

The strength in health care services at Southlake ensures that it will remain a regional centre for the foreseeable future. Through the newly created Research Institute, Southlake has developed a partnership with York University to bring research projects to the hospital, in addition to the many ongoing drug and device trials in cardiac, oncology, arthritis and orthopaedics.[22]

Beginning July 2009, Southlake's new Academic Family Health Team began training University of Toronto family medicine residents. By 2012, this health team will expand to accommodate 18 medical residents.[23]

Newmarket has a total of 357 health and social service-related businesses and non-profit or government funded organizations. Many of these businesses are clustered around the Southlake Regional Health Centre.[24]

Growth Opportunities

The key growth opportunities that the Town of Newmarket should focus its efforts towards include the following.

- Identify the intellectual property mechanisms being used in Newmarket for advancing the local health, wellness and life sciences sector.
- Create a forum with local knowledge-based industries and Southlake Regional Health Centre to communicate growth pressures.
- Facilitate the development of strategic business relationships with local knowledge-based firms and the Southlake Regional Health Centre.
- Explore export markets that have an increasing demand for Newmarket's health, wellness and life science products and services.

6.1.4 Knowledge-Based Industries

It is helpful to build an understanding of the Knowledge-Based Industries (KBI) sector that is both specific and focused. It is easy to argue, for example, that many industries could be classified as knowledge-based. For the purposes of this project, Millier Dickinson Blais has used the North American Industrial Classification System (NAICS), which provides detailed definitions of all industry sectors (and related areas of employment) and is used across North America for economic analysis.

---

[22] Ibid.

[23] *Southlake Regional Health Centre and the University of Toronto Sign Academic Affiliation Agreement, www.southlakeregional.org/news.SRHC-UofTacademicaffiliation.html*

[24] Town of Newmarket Health Sector Economic Development Analysis & Implementation Strategy (2009). Completed by IBI Group, p.10.

However, the NAICS system does not specifically define what sectors are “knowledge-based”. The following industries identify those NAICS industry sectors that Millier Dickinson Blais have employed to define the extent of the KBI sector as a whole.

- Manufacturing (e.g. subsector 325189 Other Inorganic Chemicals, 325410 Pharmaceutical and Medicine, 334110 Computer and Peripheral, etc.)
- Information (e.g. subsector 511210 Software Publishers, 517310 Telecommunications Resellers, 518111 Internet Service Providers, etc.)
- Professional, scientific and technical services (e.g. subsector 5411 Legal services, 5412 Accounting, tax preparation, bookkeeping and payroll services, 5413 Architectural, engineering and related services, 5414 Specialized design services, 5415 Computer systems design and related services, 5416 Management, scientific and technical consulting services, 5417 Scientific research and development services, 5418 Advertising and related services, etc.).

Industry Trends

Both global and national economic trends have greatly affected the sector over the last 15 years. These trends include the recovery of the Canadian economy in the late 1990s, the high-tech downturn starting in 2001, the subsequent recovery of a stronger and more agile KBI sector after the downturn, and the most recent economic recession affecting the global economy. Despite Canadian KBI companies being better positioned to weather the most recent economic downturn compared to the tech-bubble burst, the fact that the recession has affected the entire value chain of the KBI sector means companies are facing new challenges. Further vulnerabilities have been identified in Canada’s KBI sector:

- limited comparative growth or adoption of new technology;
- an eroding manufacturing sector; and
- a growing shortage of information technology (IT) professionals.

Like most other sectors, KBI is struggling to best position itself for recovery at the conclusion of the recession through industry restructuring. The following trends are acting on the KBI sector, both globally and nationally:

- **Preliminary recognition of KBI and the digital economy as a driver of growth**

There has been some recent concern about how the Canadian Federal Government views the role of the KBI sector, in light of the recent failure of Canada’s leading multinational technology company (Nortel) and the real or perceived lack of interest on the government’s part. Also contributing to that view is the lack of emergence of high technology companies (with the exception of RIM), the lack of promotion of business innovation by technology adoption, and the lagging deployment of digital infrastructure (broadband, e-commerce) all compared to the leading countries in KBI[25]. This reinforces the findings of a report by the Council of Canadian

[25] McCarthy, Shawn. *Canada’s Race for a High-Tech Strategy.* The Globe and Mail, August 1, 2009

Academies, which notes a growing innovation gap between Canada and other countries, especially the US.

However, the Canadian government has taken notice of these shortcomings, as well as started to embrace the need for KBI adoption and investment to stimulate growth. This has included engaging Canadian industry stakeholders, as well as holding forums on the digital economy. Some initiatives were included in the infrastructure stimulus announced in the 2009 budget:

- $225 million for deployment of rural broadband;
- $500 million for electronic health records;
- $200 million program to advise and assist small businesses with technology adoption;
- Funding for research infrastructure at Canadian Universities; and
- Funding to assist the Business Development Bank of Canada with early-stage financing of small businesses.

However, it should be noted that while the Federal government has given some regard to the development of a domestic digital economy, there is still no concrete strategy for increasing the integration of KBI into the economy and boosting investment in industries such as advanced manufacturing, health care services and public administration.

- **Further Off-shoring of KBI activities**

Similar to the advanced manufacturing sector, KBI companies are increasingly facing the off-shoring of operations. This is especially relevant given the number of external multi-national firms with a presence in Canada. The potential is there to move operations from the country as pressures mount on firms to lower operating and manufacturing costs. Paired with increasing levels of education in emerging markets, there is a notable trend towards moving more and more complex operations to lower-cost destinations, beyond call centre relocation which has been the prevailing trend. While initially started almost 10 years ago, the Semiconductor manufacturing industry presents one example of more complex operations being off-shored to China and Taiwan, as companies are beginning to move fabrication and design work rather than just assembly[26]. Newly at risk are complex scientific research and development activities, as well as expanded off-shoring of software development. Software development off-shoring represents another example of a trend that has also been occurring for the better part of a decade, but increasingly complex operations are now at risk[27].

- **Shortage of skilled workers**

While not a new trend, the shortage of skilled talent remains an issue for both the global and national KBI sectors, even given the influx of available labour as a result of the recession. The shortage of labour persists even during the recession, suggesting that while there are high-tech workers available, they may not have the right skills necessary to guide existing businesses

[26] Avery, Susan. *High-Tech Trends Have Global Effect*. Area Development, 2007
[27] Ibid.

through the recession or start-ups to maturity. Like all other industries in Canada, and to some extent across the globe, the aging population could further the problem.

Some literature has suggested that there is not a lack of qualified engineers or scientists available. The shortage lies with entrepreneurs and mid-career professionals. The former refers to experienced entrepreneurs that have guided companies to success; individuals skilled in business, raising and accessing different forms of capital, and generating sales. Mid-career IT professionals generally includes skilled project managers and customer-support people. These are individuals with both the technical background and interpersonal skills that bridge the gap between the technology and business communities. The scarcity of these professionals presents a problem for Canadian KBI growth.

- **New technology/shifting technologies**

Several specific trends are occurring within the KBI sector with regards to both software and hardware, including:

- The growth of Green IT including power conserving technology, video conferencing technology, Global Positioning System (GPS) technology.
- The growth and spread of Virtualization, which optimizes resources available on physical servers or PCs to support multiple operating systems (or virtual systems) simultaneously. The applications are almost universal, as the technology presents benefits for any industry that uses computers/servers, especially data centres, finance, government, and education.
- Increased spending on notebook PCs, servers, and storage; decreased spending on desktops.
- Increased demand for Software as a Service (SaaS) applications. These are 'on-demand' applications that are hosted on the software company's servers rather than a user's hard drive, and are accessed through product licensing. This facilitates constant software updates.
- Increased development of second generation web (Web 2.0) technologies and Voice-over-IP (VoIP) technologies and
- Increased need for sophisticated data protection and security technologies for the enterprise sector.

Specific to digital or interactive media, several other trends with regard to content delivery are emerging, which represent different avenues for growth:

- Increased collaboration between gaming industries and content providers/owners (television, film, music) to produce new products.
- New content delivery methods emerging, including mobile devices (i.e. iPhone) and the internet (IPTV) to compete with traditional media.
- Increased content delivery (games, music, film, and television) through web-portals.

Technology trends are of interest in any discussion of the KBI sector. Researchers suggest that technology impacts KBI in four principal ways:

- Improved computing technology for processing and displaying data
- Improved storage technology for storing and retrieving data
- Improved communications technology for more effectively transferring data (including voice and graphic content) from one place or device to another and
- Improved software technology for better coordinating data and applications through the computer-human interface.

All of these basic technical components are necessary for the effective functioning of the KBI sector, and their continuous improvement creates new opportunities in that sector. However, none of these technologies is sufficient – in and of itself – to be described as a knowledge-based industry. KBIs require that these technological tools be applied by human action and intellect to the task of addressing and resolving specific, real world challenges and opportunities. In a sense, technology is merely a conduit for information; only by combining that information with human intellect is a knowledge application possible. In short, KBIs are based on more than just hardware and leading edge technology – they are based on individual learning, accomplishment and entrepreneurship.

Many communities in Ontario have been successful in building their KBI sector. For example, the Ministry of Economic Development and Trade has been promoting Ontario's home-grown global giants like Research in Motion, Open Text and Mitel Networks and foreign owned multinationals like IBM, Cisco Systems and Dell.

The information technology industry is clustered in three geographic areas in Ontario: the Greater Toronto Area, Ottawa and Waterloo Region. The geographic focus for the technology leaders in the Greater Toronto Area tends to be in digital media and Internet. In Ottawa, the technology leaders' strengths lie in telecommunications equipment, telecommunications networking and wireless technologies. In Waterloo Region, the technology leaders' strengths lie in software, microelectronics and telecommunications. The Province markets these three centres by promoting the number of high-tech companies, revenues, workforce, leading employers, post-secondary educational institutes and technology transfer facilities.

This marketing approach is revealing in a number of ways; chief among these is that KBI clusters are defined not by technology, but by employment and revenue. KBI clusters are better defined in part by a range of inter-related "job types" that have logical overlaps in terms of the skills needed to work within those clusters, and the kinds of issues, challenges or opportunities that businesses within the cluster are addressing.

Newmarket's Focus and Assets

KBI growth will focus on:

- Information technology
- Environmental services

- Financial services
- Post-secondary campuses with an emphasis on medical, health, and environmental programs.

Newmarket's key sector asset is its telecommunications infrastructure. Newmarket has broadband Internet, but as industry stakeholders revealed the capabilities or infrastructure was not as well developed as larger centres such as Toronto.

Another asset is the Southlake Regional Health Centre. This Centre's regional health care service programs include cardiac care, cancer care, child and adolescent eating disorders, child and adolescent mental health, paediatric and perinatal care and thoracic care. Southlake has also developed a partnership with York University for the development of a Research Institute to bring projects to the hospital in addition to the many ongoing drug and device trials in cardiac, oncology, arthritis and orthopaedics.[28]

Growth Opportunities

The key growth opportunities that the Town of Newmarket should focus its efforts towards include the following:

- Facilitate the development of critical telecommunications infrastructure in the Town of Newmarket. Newmarket's telecommunications services must improve:
    - computing technology for processing and displaying data
    - storage technology for storing and retrieving data
    - communications technology for more effectively transferring data (including voice and graphic content) from one place or device to another and
    - software technology for better coordinating data and applications through the computer-human interface.
- Identify Newmarket's KBI sector niche and its advantage over other centres such as Markham/Richmond Hill, Kitchener-Waterloo or Ottawa.
- Recognize and promote the successes of Newmarket's KBI companies and the export markets that they are reaching.
- Facilitate the development of business relationships between local KBI companies, the Southlake Regional Health Centre and the Research Institute.
- Facilitate development of business relationships with local advanced manufacturers and KBI companies.
- Explore opportunities with post-secondary institutions to offer programs in information and communications technology and business services (with a focus on finance and marketing) in Newmarket.

[28] Town of Newmarket Health Sector Economic Development Analysis & Implementation Strategy (2009). Completed by IBI Group, p.10.

6.1.5 Newmarket as a Regional Centre

The set of industries that form Newmarket as a Regional Centre are defined by two primary NAICS sectors: Public administration and Retail trade. The subsectors that make up these two sectors include:

- Public administration
  - Federal government
  - Provincial and territorial government
  - Local, municipal and regional government.
- Retail trade.
  - Motor vehicle and parts dealers
  - Furniture and home furnishings stores
  - Electronics and appliance stores
  - Building material and garden equipment and supplies dealers
  - Food and beverage stores
  - Health and personal care stores
  - Gasoline stations
  - Clothing and clothing accessories stores
  - Sporting goods, hobby, book and music stores
  - General merchandise stores
  - Miscellaneous store retailers
  - Non-store retailers.

Industry Trends – Public Sector Observations

There are many key trends that are emerging for the public sector.[29] They are as follows:

- **Governments are investing in infrastructure renewal**

Infrastructure projects range from transportation systems and public facilities, such as hospitals, schools and recreation centres, to water and waste treatment facilities. It is fair to say that infrastructure renewal investment is too low because these investments do not take the full future needs into account.

- **Pressures for decision-makers to be accountable**

Increased access to information and higher educational standards has created the “knowledge citizen.” These informed citizens are opinionated, empowered, demanding and disloyal – and governments are pressured to respond to their demands for greater accountability and transparency. In Canada, governments are overhauling legacy structures to increase transparency.

[29] These trends were adapted from Deloitte’s 2009 study entitled *Mapping Public Sector Trends.*

- **Governments are improving citizen service access**

As citizen expectations rise, governments are re-examining how they define, design, deliver and measure services to citizens. Governments are integrating their service channels to realize greater efficiencies. For instance, by cross-training staff to deal with multiple products and services, citizens are getting information on several services at once.

Governments are hampered by the need to serve a large and varied customer base. While younger constituents are demanding online forms of engagement, the public sector is still delivering services through traditional avenues. There will be a continued need for the public sector institutions to adopt new information and communication technologies to deliver services more efficiently and effectively.

- **Investment in health care is significant**

As the population ages, a higher percentage of budgets is being allocated to health care – threatening funding for other critical services. Nearly 50% of some provincial budgets go toward health care spending, causing experts to point to a looming crisis. Yet health care presents a potential model for innovation. For instance, the federal government has begun to implement a pan-Canadian electronic health record, while provinces are building repositories to manage these records.

- **Globalization is having security implications**

With the trends towards globalization and mobility, security is one of the most important issues faced by international governments. It comes in many forms, ranging from border security to the ways in which an increasingly global and mobile citizenry will affect critical infrastructure programs and law enforcement.

- **Environmental sustainability is on political agendas**

Another issue of great interest to public sector leaders surrounds ongoing concerns related to the environment and sustainability. According to recent public opinion research, environmental sustainability is expected to remain front and centre regardless of economic circumstances.

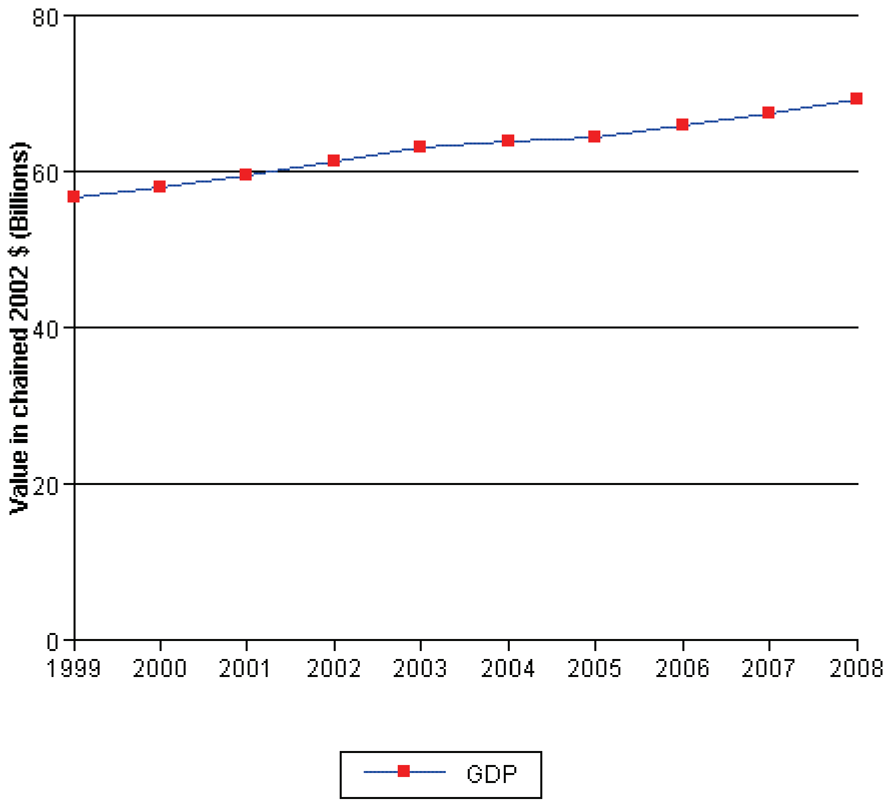
While governments are determining definitive response strategies to climate change, the environment is increasingly important to the public sector, especially given the overwhelming interest younger people are voicing when it comes to the subject. Today's governments are developing policies for emissions trading and carbon credits and looking for ways to inject sustainable practices into their day-to-day operations.

Industry Trends – Public Sector Economic Size

Public Administration – Gross Domestic Product (GDP) in the Public Administration sector increased from $56.7 billion in 1999 to $69.4 billion in 2008, representing a 22.4% increase over a ten year time period. The increase in GDP reported between 1999 and 2008 represented a compound annual growth rate of 2.1%. Between 2007 and 2008, the total value-added of the Public Administration sector increased by 2.9%.

The following graph illustrates annual GDP for the Public Administration (NAICS 91) sector between 1999 and 2008.

Figure 33 – Gross Domestic Product (GDP): 1999-2008 – Public Administration (NAICS 91)



Source: Statistics Canada, Gross Domestic Product by Industry, 1999 to 2008.

Public sector employees are paid more than their private sector counterparts at all three levels of government[30]. The Canadian Federation of Independent Business estimates that across Canada provincial public sector workers earn 7.9% more than their private sector counterparts and municipal government workers earn an average of 11.2% more than private sector workers[31]. The same study found the Ontario differential for provincial public sector workers to be 13% while the premium for Toronto municipal workers is 11.9% over the private sector.

[30] Mallet, T. And Wong, Q (December 2008). Wage watch: A comparison of public-sector and private-sector wages. Prepared by the Canadian Federation of Independent Business
[31] Ibid.

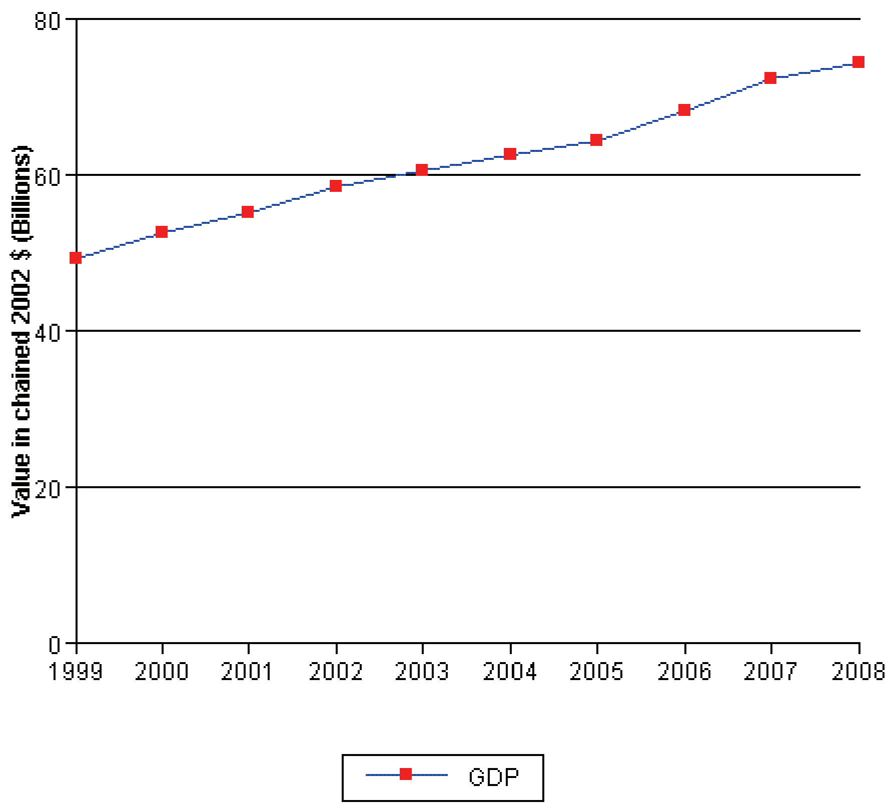
During the term of Premier McGuinty, growth in the provincial public sector employment has been 16.6% while private sector employment growth has only been 2.1%[32].

Industry Trends - Retail Trade Sector Economic Size

GDP in the Retail Trade sector increased from $49.4 billion in 1999 to $74.6 billion in 2008, representing a 51.0% increase in a ten year period. The increase in GDP reported between 1999 and 2008 represented a compound annual growth rate of 4.2%. Between 2007 and 2008, the total value-added of the Retail Trade sector increased by 3.0%.

The following graph illustrates annual GDP for the Retail Trade (NAICS 44-45) sector between 1999 and 2008.

Figure 34 – Gross Domestic Product (GDP): 1999-2008 Retail Trade (NAICS 44-45)



Source: Statistics Canada, Gross Domestic Product by Industry, 1999 to 2008.

Newmarket's Focus and Key Assets

Maintaining and enhancing Newmarket's growth as a Regional Centre will focus on:

- Public sector services, including federal and provincial departments

[32] Kevin Gaudet, Canadian Free Press, April 18, 2008.

- Retail services
- Environmental services

Newmarket is home to many public sector employers. The major regional centre's public sector employers are key assets for the community. They include:

- Southlake Regional Health Centre
- Regional Municipality of York
- York Region Police (headquarters)
- RCMP detachment
- York Catholic District School Board administrative building
- The provincial courthouse for York Region
- Service Canada

A key asset for Newmarket's retail trade sector is Upper Canada Mall. It's the second largest shopping centre in York Region and acts as an anchor in attracting shoppers to Newmarket. The mall is strategically located on Yonge Street and close to many large box store retailers.

Considering Upper Canada Mall's location in Newmarket, it is likely that the retail trade area includes East Gwillimbury, Georgina, Bradford-West Gwillimbury, New Tecumseth, King City, Aurora, Whitchurch-Stouffville and the northern portions of Durham Region.

Growth Opportunities

The key growth opportunities that the Town of Newmarket should focus its efforts towards include the following.

- Continue to invest in strategic municipal infrastructure that will increase business capacity to expand in Newmarket.
- Create bureaucratic processes that streamline business development approvals through the use of new information and communication technologies.
- Promote environmental programs, processes and initiatives for the Town.
    - Promote successful environmentally sustainable programs and processes to the local business community and public sector organizations.
- Attract provincial and federal government regional services and investments to Newmarket.
- Promote the benefits of public sector occupations to the local youth.
- Integrate Newmarket's regional retail centre profile with its arts and cultural assets.

6.2 Newmarket's Value Proposition and Strategic Focus

Through an extensive series of community consultation exercises, the Town of Newmarket identified five key targets for its future economic development activity. These targets areas are:

- Health and related industries
- Advanced manufacturing

- Knowledge-based industries
- Arts & cultural industries
- Newmarket's role as a regional centre

In and of themselves, these targets are not remarkable. Indeed, many of Newmarket's neighbours and competitors within the GTA have identified virtually the same list of target sectors. At the same time, each of these targets has a certain logic and strength in the context of Newmarket's economy. The community's challenge is thus to identify its unique value proposition in a sea of local competitors. What differentiates Newmarket from other GTA communities pursuing the same targets? And how can Newmarket use that differentiation to identify, express and – over time – enhance its competitive advantage over other communities?

The very notion of pursuing investment in "target sectors" of the economy is based upon the economic development notion of "cluster development," the idea that industry groups together in nodes of concentration. These nodes arise where resources are thickest – where concentrations of talent, of infrastructure, of financial capital, etc. are present and available to participants within the cluster. Thus, the very notion that Newmarket can identify, promote and expand an advanced manufacturing sector (for example) is based on the idea that cluster of advanced manufacturing resources is present, or may be developed.

Economic development practitioners have long embraced the concept of cluster development as a key component of their strategic activities. Introduced by Harvard University's Michael Porter in 1990, cluster theory describes the interactions of concentrations of interconnected businesses, suppliers and associated institutions within particular sectors of business and industry. Clusters may be defined in four ways:

- Geographically (i.e. interactions within a specific region)
- Horizontally (i.e. interactions between businesses to share resources)
- Vertically (i.e. interactions based on supply chain management)
- Sectorally (i.e. interactions between businesses in a given business field)

Initially, the term "cluster" was applied only to large and significantly resourced industry concentrations, particularly the world leaders in given fields (such as Silicon Valley for ICT or Zurich for pharmaceuticals). More recently, economic development practitioners have taken to employing the phrase in a less grand sense, and more as a "short hand" for explaining the potential to grow local economies by building on areas of concentration and interconnectedness within their own community.

This shift is discussed at length in a range of specialist literature, including Per Lundequist and Dominic Power's 2002 paper *Putting Porter into Practice? Practices of Regional Cluster Building: Evidence from Sweden*. They suggest that economic developers "use the term 'cluster' as something of a buzz word that represents a shift away from narrowly focused firm-based strategies to more holistic regional economic development approaches..."

They also argue that this activity, while not clustering in the traditional sense, has proven highly effective in a range of jurisdictions. This revised cluster theory represents a significant shift in economic development thinking, as it suggests that a range of local actors – not just businesses – can play an important role in driving economic growth. As the US Department of Commerce has argued, "Cluster theory also describes how factors external to the firm impact competitiveness and innovation. It is not just the characteristics of firms that create a truly competitive cluster; there are regional factors external to the firm that matter as well."

The process of mobilizing these external factors is only partially understood. However, in 2004 Maryann Feldman and Johanna Francis argued that there are three basic stages of cluster formation. They describe these in *Homegrown Solutions: Fostering Cluster Formation* as:

- The movement from latent entrepreneurship to active entrepreneurship
- The initial formation of the cluster
- The development of a fully functioning entrepreneurial environment within an innovative and adaptable industrial cluster

By linking the early stages of cluster development directly to this latter factor, the "entrepreneurial environment", Feldman and Francis are rooting the cluster in a specific operational environment or business climate of a given community. This environment is entrepreneurial in nature – that is, it is characterized by a "thickness" of opportunity, of commercial and industrial interconnectedness, of support structure, and of human and financial capital.

Most communities will have several business sectors where this "thickness" is particularly evident, where a concentration of business ventures, community organizations and institutional structures overlap in their areas of focus and expertise. These are often referred to as areas of local competitive advantage, and form the basis of strategic targeting exercises in economic development activity. Newmarket's five target areas represent, in this sense, the community's belief that five clusters are present within its local economy, or at least that they may be developed over time.

The development of a genuine cluster-growth strategy, however, is not merely an exercise in identifying areas of strength. It is a more nuanced approach that attempts to articulate core messages or "value propositions" about how the configuration of the cluster strengths may be deployed to meet the needs of business in a way that drives economic growth and increased employment. It is about identifying specific and tangible reasons why an existing local business, a new entrepreneur or an external investor would choose to invest or reinvest funds within the community.

On the surface, this is a simple task. One describes the assets and strengths of the community while downplaying any weaknesses, and communicates the results. However, the challenge arises in differentiating that message from the hundreds of similar messages being disseminated by other communities. For example, Newmarket has a genuinely strong case to make for investment in the health sector. The Southlake Regional Health Centre represents a truly impressive anchor in a dynamic and rapidly growing cluster. However, southern Ontario and the GTA are crowded with world-class facilities from Hamilton Health Sciences at McMaster to Sick Kids to Princess Margaret, and so on. What Newmarket's value proposition should seek to do is to differentiate the community by identifying aspects or facets of its clusters that are rare or even unique.

The solution to this challenge lies in understanding the interactions between a community's clusters. Many communities have a strong health sector. Many have a strong advanced manufacturing sector. However, far fewer have strength in both. From this perspective, each time an additional cluster is identified, the community's value proposition to a certain segment of potential investors in strengthened.

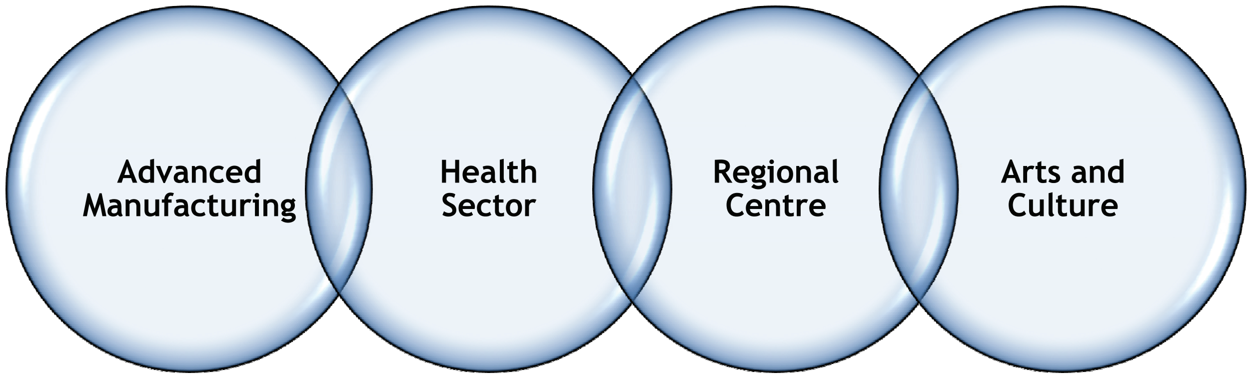
This approach to the value proposition allows communities to identify those specific areas of strength that are complimentary to each other, and thus identify the point or points at which the community has a regional, national or global competitive advantage. These advantages may then form a key part of the larger value proposition that may be used to lure or attract external investment to the community, or to anchor increased internal investment.

At a practical level, this approach suggests that Newmarket's area of greatest competitive advantage lies in activities that incorporate more than one element of activity from different cluster strengths. Such concentrations of assets represent areas of activity where Newmarket's concentration of industrial, commercial, community and institutional strengths may be leveraged to present a truly compelling case for investment attraction at a global level.

In Newmarket, for example, the identification of advanced manufacturing as a target sector and the identification of a set of key existing assets underpinning cluster activity in this sector can scarcely be said to differentiate the community from a hundred other competitors across Ontario, or thousands around the world. However, at the point of overlap between advanced manufacturing and the health sector, where the fringes of these sectors begin to merge, Newmarket begins to acquire unique competitive advantages. For example, while many communities are strong in the advanced manufacturing sector, or strong in the health sector, very few are strong in both. This means – right off the bat – that Newmarket should be able to significantly outcompete many other communities for investments that rely on or are linked to both of these sectors.

Millier Dickinson Blais believes that it is possible to map out an optimal value proposition for Newmarket on the basis of a particular configuration of cluster activity in the community. In this approach, we see a chain of four interlinked clusters, each "bleeding into" the next:

Figure 35 – Linkages Between Clusters



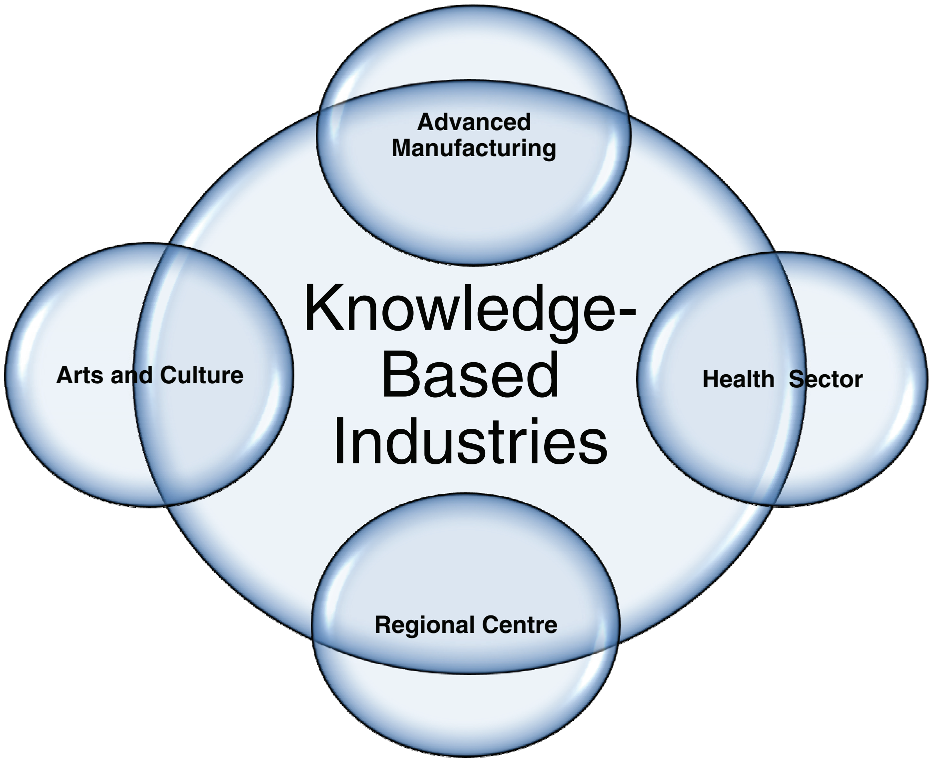
Advanced Manufacturing is an obvious area of strength in the community, but at its edges it has connections into the Health Services field. This overlap or "convergence" occurs in areas such as medical device manufacturing. By the same token, Newmarket's role as a hub of the Health Services sector connects strongly with the identified goal of being a Regional Centre of activity. A role as a Regional Centre lends itself to the attraction of assets, programs and infrastructure to support the development of the arts & culture sector.

The model suggests that each circle represents an area of local strength. Where two circles overlap, the community has an area of competitive advantage at a regional or national level. A quick, non-comprehensive survey of local businesses in these sectors reinforces both the notion of depth and complexity within the circles themselves (a test for the legitimacy of the sector identified) and an increasing complexity of interaction where the circles overlap.

However, in Newmarket's case, a fifth target sector provides a unique opportunity to link all of the identified community clusters together, while simultaneously providing some focus for effort within the notoriously broad "knowledge-based industries" sector. KBIs are an economic development target of high value and high interest – but they are also spread across an extremely wide spectrum of activity. Do industrial design, telecommunications research, management consulting and video game development (for example) really constitute a single target area for economic development activity?

However, if the community articulates an overarching goal of making Newmarket an "Intelligent Community" – a kind of hotspot or nexus of leading edge, 21st Century business activity – it is possible to position the knowledge-based industries sector as a kind of platform underlying the other four target areas. This could be represented as follows:

Figure 36 – Overlapping Cluster Targets as a Source of Competitive Advantage



In this model, the focus of the economic development function's work in the knowledge-based sector is at those points of convergence with the other four target areas. From this perspective, the value proposition becomes a tool both for narrowing the scope of the KBI target sector to a smaller set of key priorities, but it also serves to position the KBI work as a means of increasing the community's differentiation from and competitive advantage over its key competitors.

It is possible to map out a model of how KBI relates to and supports each of the other target sectors.

Figure 37 – Knowledge-Based Opportunities

Target Sector	Overlaps with Knowledge-Based Industries
Advanced Manufacturing	• Robotics • Computer-Aided Design • Process Monitoring • Advanced Visualization
Health Sector	• E-records • Telehealth • Modelling • Bioinformatics
Regional Centre	• Professional Services • IT Services & Support • Training • Design Services
Arts & Culture	• Creative Class • Interactive Media • Content Development • Digital Publishing

With this is mind, the strategy begins to describe a particular vision of what Newmarket may become in the 21st century: an intelligent community with an economy founded on the principal that knowledge-based tools and services underlie the community's strengths in a number of target sectors, and serve to anchor opportunities for growth and development within the community that exceed what may be found elsewhere.

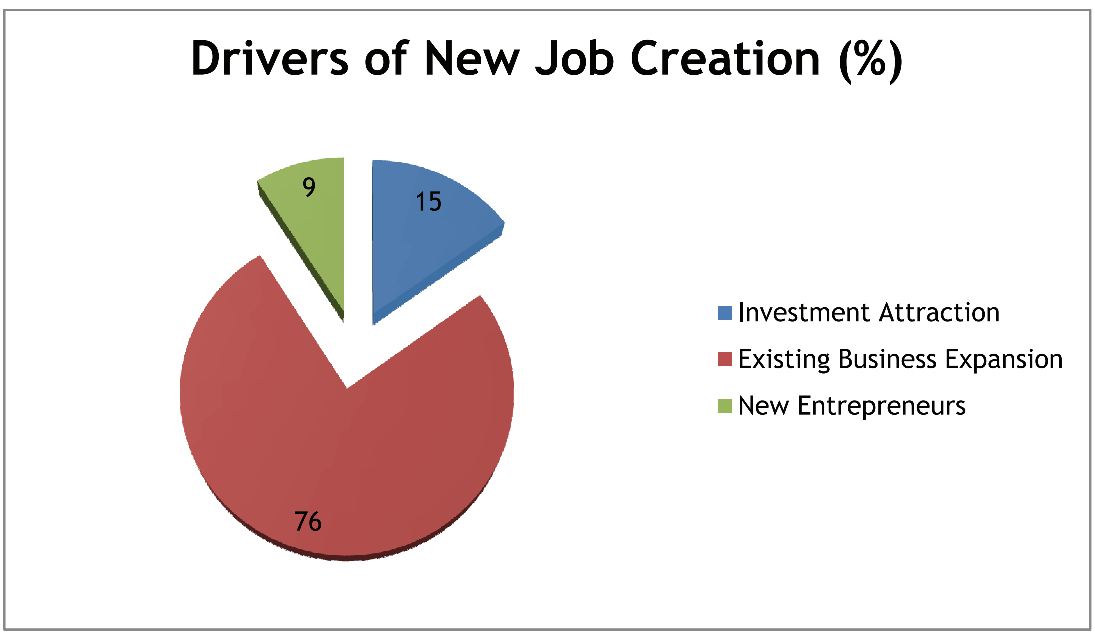
7 Implementation and Action Plan

7.1 Background Considerations

Economic development is a complex and complicated field of activity, based on a wide range of perspectives and practices built up over decades of experience. In its earliest days, economic development approaches were pioneered by electrical utilities in the US South, who saw the recruitment of additional manufacturing facilities to their service areas as a key means of increasing sales and driving higher profits. Their approach was soon picked up by local municipalities, who saw such external investment attraction – sometimes referred to as "smokestack chasing" – as an ideal vehicle for increasing tax revenues without increasing the tax burden on existing ratepayers. From the 1920s through to the 1980s, this attempt to recruit external factories or branch plants for inward investment purposes served as the dominant model of economic development practice in North America.

Over time, however, street-level experience began to show that external investment attraction was not the optimal avenue for most communities in pursuing economic development and job creation. As experience grew, and as data was collected and analyzed over extended periods, it became clear that, in fact, external investment attraction played a relatively small role in the growth of local economies. Economic development authorities began to recognize that greater results sometimes came from other areas of economic development effort, and as a result the emphasis in economic development circles shifted from external investment attraction to a more inward-focused concentration on enhancing the impact of existing business, primarily through Business Retention & Expansion (BR&E) activities.

Figure 38 – Drivers of New Job Creation in North America



Source: Blane, Canada, 2009

Recent work in aggregating the results of American and Canadian BR&E surveys and studies of local employment growth suggests that – on average – external investment leads to only about 15% of local job creation activity in North America. Internally-driven job creation accounts for approximately 85% of all economic development activity. Although this activity is divided between those impacts generated through new entrepreneurial ventures and those generated through the activities of existing companies in the community, the latter is by far the most significant. As a result of this improved knowledge of the dynamics of job creation and investment activity within a community, Millier Dickinson Blais now recommends that economic development structures adopt an approach to economic development activity that mirrors the pattern identified by the field data. In other words, the allocation of resources – be they human, financial or time – should follow this same general structure:

- 75% of an organization's effort should be in developing initiatives that will sustain, support or enhance the potential of existing local businesses
- 15% of an organization's effort should be devoted to external investment attraction initiatives and support structures
- 10% of an organization's effort should be devoted to the creation of services and initiatives to support new and emerging entrepreneurs and entrepreneurial ventures within the community.

This general approach underlies the action plan contained within this strategy. However, there are additional constraints that must be considered when mapping out the parameters of an implementation plan. Economic development activity requires resourcing to be effective; funding, staffing and the dedication of sufficient quantities of time are necessary to implement individual actions in an effective manner, making the action plan "resource dependent". This is a challenge for many municipalities, where resources are tight and the opportunities for increased resources are limited. The list of economic development challenges and opportunities is endless, and no amount of resources will ever be sufficient to address every facet of a community's economic vitality and performance. On the other hand, communities wishing to influence the shape and direction of their local economies must be prepared to provide adequate resources to support this goal. These resources come in two primary forms: personnel and funding.

Both are problematic in a municipal context, as they require increased allocations from limited budgetary resources at a time when the demands upon municipalities are increasing. On the funding side, this is presently less of an issue than it has been historically in southern Ontario. Both the federal and provincial governments have recently introduced an impressive array of funding programs available to local economic development structures to assist in the implementation of specific task, projects and programs at the local level. Just a small sampling of these programs includes:

- Invest Canada – Communities Initiative at the Department of Foreign Affairs and International Trade
- Southern Ontario Development Program at FedDev
- Community Adjustment Fund, also at FedDev

- Tourism Development Fund at the Ontario Ministry of Tourism
- Community Prosperity Fund at the Ontario Ministry of Culture

There are many more examples. Essentially, the existence of these programs allows municipalities to budget 25% to 50% of a project's cost, thereby reducing the necessary allocations to economic development projects (or increasing the reach and impact of existing allocations). In other words, while municipalities must continue to allocate funds to support economic development program activity, external funding sources are increasingly common, and can minimize the necessary contribution from local government for program or project-oriented activities.

The issue of personnel is more complicated, and requires a much more significant contribution on the part of municipalities. Implementation of an economic development action plan requires personnel to undertake the activity in question. Increasingly, economic development offices rely on volunteer support and input from private sector partners, but ultimately, the implementation of a strategy and action plan falls to municipal personnel. The Town of Newmarket's capacity on this front is severely constrained at the current moment.

Every year, Millier Dickinson Blais conducts a national salary survey of the economic development profession, surveying literally hundreds of communities from coast to coast on their economic development operations. The survey examines compensation primarily, but also looks at a range of secondary issues for additional context. One of these is the average size of economic development operations across the country.

Based on its present population, Newmarket falls within the survey's "mid-sized communities" category, which groups those communities with a population of 50,000 to 150,000 people. Based on responses from 41 mid-sized communities, the average staffing level of an economic development organization in mid-sized community is as follows:

Figure 39 – Average Economic Development Staff Size, Mid-Sized Communities

Job Type	Average Number Present
Director of Economic Development	.85
Economic Development Officer	1.27
Business Development Officer	.39
Tourism Development Officer	.34
Economic Development Researcher	.46
Total Average Staffing Levels	**3.31**

Source: Millier Dickinson Blais Annual Salary Survey, 2009

In other words, communities within Newmarket's comparator group employ – on average – between 3 and 3.5 professional economic development staff (note that this figure excludes administrative or secretarial personnel from its count). From this perspective, Newmarket is significantly understaffed, which will constrain its ability to implement the kind of action plan one would normally expect in a community of a similar size.

This challenge remains even if one were to consider Newmarket a "small" community. Based on responses from 85 small communities across the country, the average staffing level of an economic development organization in a small community is as follows:

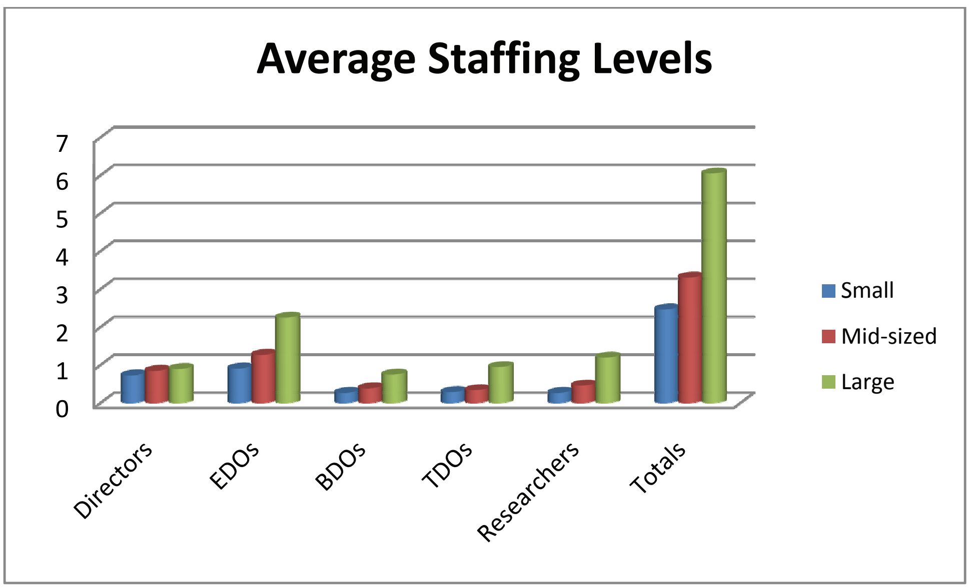
Figure 40 – Average Economic Development Staff Size, Small Communities

Job Type	Average Number Present
Director of Economic Development	.73
Economic Development Officer	.91
Business Development Officer	.27
Tourism Development Officer	.29
Economic Development Researcher	.27
Total Average Staffing Levels	**2.47**

Source: Millier Dickinson Blais Annual Salary Survey, 2009

Small communities average about 2.5 professional staff, again suggesting that Newmarket is presently under-resourced on the personnel front.

Figure 41 – Average Economic Development Staffing Levels Across Canada



Source: Millier Dickinson Blais Annual Salary Survey, 2009

Without adequate personnel, it will be difficult for Newmarket to undertake a significant economic development workplan in pursuit of its broader strategy. At the same time, the range of expectations facing economic development professionals continues to increase. In early May of 2009, members of the project team engaged a group of 53 economic developers from across Canada at a gathering in Waterloo, and asked them to generate a list of common or frequently-observed responsibilities and areas of activity for economic development practitioners. The group identified 59 areas of activity where economic development staff were increasingly expected to be active, suggesting that the demands placed upon economic development practitioners are increasingly heavy. A full listing of all 59 areas of activities is included in Appendix Three.

This ever-expanding range of responsibilities raises a final constraint consideration relevant to the implementation of the action plan in an economic development strategy. Economic currents, political priorities and community desires are constantly in flux. As a result, priorities shift and evolve over time. New opportunities emerge, or crises are confronted, and a reallocation of resources may become necessary. This is inherent in the performance of the economic development function. As a result, the goal of an economic development action plan is not to plan for the complete utilization of 100% of all available resources. This present plan is based upon the notion that there are existing and potential pressures and activities outside the scope of this plan that must continue to be addressed. Put bluntly, someone has to take the phone call from – and offer full support to – a potential investor even if it doesn't completely align with the strategic priorities articulated here. As a result, this action plan is not meant to be comprehensive, nor is it meant to allocate all of the available resources. A portion of the economic development operation's time must remain available for those activities outside the scope of the strategy. Instead, the plan is based on the assumption that – to the extent that proactive and discretionary targeting of resources and activities may be employed – these actions shall serve to guide the economic development staff and the broader community.

7.2 Action Plan

7.2.1 Enabling Actions

Action	Rationale	Logistics
Increase the size of the economic development operation's staff complement	The economic development vision described in this strategic plan is ambitious and far-reaching. Effectively implementing the full range of actions required to achieve the plan's objectives will require careful consideration of the resources needed. In particular, the report suggests that Newmarket's economic development operation is currently understaffed as compared to other, similarly-sized communities across Canada. To maximize the impact of this strategy, the Town should allocate additional resources to increased staffing.	This is a HIGH Priority action with implications for the successful implementation of other actions in the plan.
Develop a formal	Many communities have undertaken	This is a HIGH PRORITY

Business Retention & Expansion program using advanced software support	"corporate calling" programs through which they familiarize themselves with the issues and concerns of local businesses. Some communities, however, have transformed their efforts into formalized "business retention and expansion" (or BR+E) programs with more systematic approaches to engaging with local business. The strategy suggests that local business will generate about 75% of future economic development activity, and the Town's economic development team will need solid tools to effectively engage this significant opportunity. The best of these BR+E programs are supported by sophisticated software tools, using technical programs based on years of "best practice" research, and capable of aggregating results in order to uncover key trends and patterns within local business experience. The "Synchronist Business Information System" software tool developed by the US-based firm Blane Canada Ltd. is particularly effective, and has been successfully implemented in Ontario communities including Hamilton and Burlington.	action. Funding support for the purchase of this software may be available through FedDev.
Develop an investment attraction strategy based upon the work of Dr. Edward Feser, and building on the value proposition identified in this strategy	The targeting strategy at the heart of this plan is built upon the idea of targeting economic development efforts where key areas of local economic activity overlap or converge – for example, where the knowledge, advanced manufacturing and health industries come together. This same approach may form the basis for formalized investment attraction efforts, which the strategy suggests should be the focus of about 15% of economic	This is a MEDIUM PRIORITY action. Financial support for investment attraction strategies is available through FedDev or through the Invest Canada- Communities Initiative (ICCI) program of Industry Canada. This activity will assist Newmarket in

	development effort. Recently, Dr. Edward Feser of the University of Illinois- Urbana-Champagne has developed tools and tactics for identifying investment attraction opportunities within these areas of "convergence". Newmarket should work to create a formal investment attraction strategy to guide (and differentiate) its efforts in this area of its economic development work.	understanding where its best opportunities lie within York Region's larger Foreign Direct Investment efforts.
Develop an online toolkit of resources for new entrepreneurs	The strategy suggests that slightly less than 10% of future job creation within the community will emerge as a result of new entrepreneurial ventures. External resources including provincially-funded Small Business Enterprise Centres already exist within the Region to assist emerging entrepreneurs. However, there is little in the way of Newmarket-focused resources for new entrepreneurs. Dedicating a portion of the Town's economic development website to local support structures, resources and programs could play a significant role in helping would-be entrepreneurs launch their businesses. Such a tool might also help the Town to more effectively engage with emerging entrepreneurs in the community.	This is a MEDIUM PRIORITY action. Potential partners in this effort include the Small Business Enterprise Centres, the government of Ontario and the Innovation Synergy Centre in Markham. Funding for such an initiative may be available through FedDev.

7.2.2 Advanced Manufacturing Actions

Action	Rationale	Logistics
Develop a local manufacturing forum	Manufacturing industries are under tremendous pressure in the current economy, and their practices are changing rapidly as a result. Lean manufacturing, process improvement,	This is a HIGH PRIORITY action.

	and green and energy efficient manufacturing practices are increasingly important. The avenues for sharing information about these practices, however, are often far removed from local business and the local community. By establishing a local forum for exchanging information and best practices, Newmarket can speed the uptake of new practices, assist in improving the performance of individual manufacturers, and keep closer tabs on activity within the manufacturing sector.	
Link key advanced manufacturing players to the health services sector	Building on the establishment of the manufacturing forum, economic development staff should seek to create strong local and regional linkages between players in the advanced manufacturing sector and interests in the health services sector. The "convergence" of skills, tools and institutions in this sector will offer opportunities for industrial and commercial development in niche areas of local competitive advantage. This will assist in diversifying local companies, and strengthening Newmarket's competitive position in a rapidly growing area of the economy. In practical terms, this approach may build upon knowledge and ideas from the health sector being transferred to key players in the manufacturing sector, and could be championed by players including the Southlake Regional Health Centre and York Biotech.	This is a MEDIUM PRIORITY action.
Participate in regional efforts to attract a national research facility in medical device development	For some time, the Town of Markham has been working towards the establishment of a National Centre of Excellence for Medical Device Manufacturing. Such a facility would	This is a MEDIUM PRIORITY action. The Town of Markham, York Region and Southlake Regional

	draw millions of dollars in research funding and key personnel to York Region, with economic benefits extending across municipal boundaries. As Newmarket and the Southlake Regional Health Centre play an increasingly large role in emerging health sector industries, this could serve as an anchor to draw manufacturing activity and spin-off investment into Newmarket from the ongoing research in Markham.	Health Centre are logical partners in this initiative.
Work with planning department to prioritize advanced manufacturing for remaining greenfield lands	Newmarket`s supply of greenfield land suitable for mid-to-large-scale industrial development is limited, but ultimately finite. In order to ensure "highest and best" use of these lands, including a clear preference for advanced manufacturing facilities, economic development staff should work closely with planning staff and other key policy players at the municipal level to design and implement guidelines, programs and initiatives designed to encourage desired uses, while discouraging less desirable investments. For example, the employment potential of advanced manufacturing is significantly greater than that of warehousing operations. Town policy should therefore encourage the former over the latter.	This is a LONGER TERM priority action.

7.2.3 Health Sector Actions

Action	Rationale	Logistics
Work with Planning officials to establish a health sector-oriented Community Improvement Area with	Economic development staff should work with local and regional planning officials to develop a Community Improvement Plan (CIP) and designate a Community Improvement Area (CIA)	This is a HIGH PRIORITY action. If positioned as a "feasibility study" or "sector planning project",

incentives based on emerging best practice across the province	in the geography immediately surrounding Southlake Regional health Centre, in order to anchor and attract continued health sector development activity. Aspects of this program could include tax increment financing, the elimination of development charges, the use of grants to support feasibility and site assessments, and the waiving of planning and permitting fees.	preparation of the CIP may be eligible for FedDev funding.
In Cooperation with Southlake Regional Health Centre, pursue a land assembly strategy to permit future growth of the cluster's anchor	To enhance the potential impact of a CIP, the Town should also work with external partners including the Southlake Regional Health Centre on a land assembly initiative, with the goal of assembling larger parcels of land suitable for attracting significantly-sized operations and investments (both public and private) to the community. This will afford Southlake continued opportunities to expand operations and play a growing role as a regional centre of excellence, while also providing opportunities for related developments and operations to locate into the community.	Though a commitment to this effort is required in the short term, this is a LONGER TERM action that will continue over time on an ongoing basis.
Building on consultations with key regional and provincial economic development structures, develop and deliver a sector marketing strategy targeting medical organizations and bodies	With the health sector serving as a major focus of large-scale activities in economic development, planning, regional service delivery and investment attraction, communicating the full range of activity in this sector and the overall goal of health sector development in Newmarket will be a significant need. Elements of this marketing and communications effort should include: • Investment attraction oriented websites and print marketing materials promoting health sector opportunities in	This is MEDIUM PRIORITY action that should be implemented on an ongoing basis. Funding for elements of these programs may be available through FedDev and ICCI.

	Newmarket • Participation in industry trade shows and networking events • Linking Town staff and structures to local and regional health sector institutions and organizations	
Build on targeted subsectors through existing BR&E and investment attraction efforts	In a detailed assessment of Newmarket's opportunities in the health sector, other community processes recently recommended a focus on five key target subsectors: • Direct hospital services delivered by Southlake Regional Health Centre • Medical teaching, scientific research and development • Regional health and social services • Advanced, high value manufacturing of health products •Trade in medical, dental and hospital equipment and supplies These subsector targets match well with the "convergence" strategy outlined in this economic development strategy, and should continue to serve as the focus for health sector development initiatives.	This is MEDIUM PRIORITY action that should be implemented on a continuous basis.

7.2.4 Regional Centre Actions

Action	Rationale	Logistics
Pursue opportunities for attracting federal, provincial and regional investment in	Town staff should engage Newmarket's federal and provincial elected representatives, as well as key local decision-makers associated with federal and provincial institutions (e.g. RCMP	This is a MEDIUM PRIORITY pursued on an ongoing basis.

Newmarket	detachment, provincial courthouse, etc.) in regular dialogue about opportunities for locating more government services to the community. Identifying opportunities early will provide the community with a key competitive advantage. At the same time, the Town should engage non-governmental service providers on a regular basis, seeking to attract spin-off and satellite operations to the community. Targets for this effort should include educational institutions, not-for-profit organizations, faith-based groups and sporting associations.	
Establish a Newmarket Knowledge Forum to bring key GTA leaders to the community on a regular basis	Economic development staff should organize an annual leadership forum to bring key public and private sector decision-makers to the community on an annual basis. With a focus on innovation and knowledge building, this session should seek to attract a "who's who" to the community to hear from and interact with key thought leaders and communicators from around the world. The "Nova Knowledge" conferences in Nova Scotia or the "Big Idea" events in New York City could serve as models. Town staff and key local business leaders should also participate, with an eye to promoting the community as a key centre within the GTA, and gathering intelligence regarding emerging economic trends and possible investment attraction opportunities. However, the key goal of the program should be to portray Newmarket as an exciting and engaging gathering spot for those interested in the new economy.	This is a MEDIUM PRIORITY pursued on an ongoing basis.

Pursue and support key inter-municipal infrastructure and resources	With key regional assets already in place, including Southlake Regional Health Centre and the regional government headquarters, Newmarket is well-positioned for continued development as new region-wide initiatives are developed. With this in mind, Newmarket has much to gain from being a strong advocate and supporter of expanded regional services, and should seek – whenever possible – to attract the offices, facilities and service delivery points associated with these regional operations to the Town. While not every new investment will (or should) come to Newmarket, regional geography and the existing infrastructure suggest that much of it will.	This is a MEDIUM PRIORITY pursued on an ongoing basis. The "Northern Six" Partnership will be a key ally in this process.
Develop a directory of Newmarket's professional services sector, and distribute it to key targets across York Region	Part of Newmarket's role as a regional centre relates to the growing concentration of professional services firms within the community. From architects and engineers to management consultants and financial services firms and beyond, Newmarket should seek to anchor the community's role as regional centre by promoting itself as a professional service centre, working cooperatively with business in this arena to attract more customers from across the Region. A major element of this effort should involve the development of an attractive business directory-style listing of professional service firms in the community, with a supporting website	This is a HIGH PRIORITY action that will require periodic updating. Financial support for a project of this sort may be available through FedDev.

7.2.5 Arts & Culture Actions

Action	Rationale	Logistics
Engage with and support existing arts and cultural organizations, and build opportunities for more collaboration	Like many sectors of the new economy, the arts & culture sector is strengthened and expanded by collaboration and the open sharing of information and resources. Economic development staff should seek to engage with local arts & culture organizations in order to facilitate and broker partnerships, joint programs and collaborative projects. This will allow the sector to build a cycle of "increasing returns" that will increase sector activity, but also revenues and income. Some partnerships may involve higher levels of municipal input, including discussion regarding arts-focused incentives and planning policies that will encourage appropriate sector investments in key neighbourhoods and reinforce the goals of Newmarket's Cultural Master Plan.	This is a HIGH PRIORITY activity that should be undertaken on an ongoing basis. Funding for some efforts in this arena may be available from the Ontario Community Prosperity Fund.
Work to make Newmarket a centre of collaboration between "established" and "newcomer" cultural activities	The GTA has incredible potential for bringing "traditional" cultural activities together with the cultural expressions of immigrant and newcomer communities. These potential collaborations may draw huge audiences and strengthen cross-cultural ties within a community, but they largely lack a home or focal point. Newmarket should seek to position itself as the place where the world's arts and cultural expressions come to meet. Through festivals, performances, awards programs and community events, Newmarket may position itself as both a leading cultural community, and the logical centre of an	This is a MEDIUM PRIORITY action that should be supported on an ongoing basis. While the Town should play a key role in launching these efforts, community organizations should ultimately assume core responsibilities for this activity.

	emerging GTA cultural web.	
Develop programs to "professionalize" independent artists, supporting them as emerging entrepreneurs	Building on the "Cultural Enterprise" programs available through local Small Business Enterprise Centres, Newmarket should seek to build business skills and connections between local artists and cultural sector actors. By treating these individuals as entrepreneurs and small business owner/operators, the arts & culture sector may be strengthened and made more sustainable. In this sense, a major focus of arts and cultural sector activities is the creation of a vibrant entrepreneurial spirit and knowledge base within the sector that enable participants to establish a dynamic and viable economic cluster of small businesses in the community.	This is a HIGH PRIORITY action. Funding for this venture may be available through the Ontario Ministries of Culture and Economic Development, as well as through the federal department of Culture.
Continue to make new arts and cultural programs spaces available, but leverage provincial and federal funding to establish shared technical facilities and resources	The Town should facilitate discussions within the sector concerning the kinds of physical and virtual spaces needed to support the growth of this cluster in Newmarket. These discussions should include consideration of traditional economic and business development models as they apply to the arts & culture sector. Such opportunities could involve "incubation" space, the creation of "co-operative" business structures and the development of shared sales and marketing networks, which may help turn many "hobby" or "part-time" artists into successful arts businesses. The positioning of these efforts should reflect current Town strategy for the sector, emphasizing the downtown as a cultural centre, but not neglecting other areas of the community (e.g. Yonge and Davis) where increased arts and cultural	This is a MEDIUM PRIORITY action that should be supported on an ongoing basis. Funding for some efforts in this arena may be available from the Ontario Community Prosperity Fund, the Canadian Worker Co-operative Fund, or FedDev.

	sector activity may be desirable. These efforts should also build on other ongoing or upcoming initiatives, such as the conference and cultural centre envisioned in the CUSP plan.	

7.2.6 Knowledge-Based Industries Actions

Action	Rationale	Logistics
Initiate an Intelligent Community strategy to highlight way in which knowledge-based industries and infrastructure anchor the local economy	To truly build an "intelligent community" Newmarket should develop and initiate a formal strategy in this regard. While the primary goal of this strategy should be the development and promotion of "smart" digital infrastructure for the benefit of local citizens and local business, a key secondary goal should be cooperation with and recognition from the New York-based Intelligent Communities Forum (ICF). This organization supports and promotes intelligent communities around the world, and creates opportunities for these communities to work together in the development and promotion of best practices. Each year, ICF recognizes the Top 21 and Top 7 "Intelligent Communities of the Year" as well as naming one community the Intelligent Community of the World. To support its broader efforts on this front, Newmarket should seek to achieve Top 21 status within three years and Top 7 status within five years. To avoid a strategy with too narrow a focus, the Town should consider making the "Intelligent Community" strategy a component of a larger KBI sector development strategy, which will also make it easier to attract external funding	This is a HIGH PRIORITY action that will require ongoing effort. Funding for this action would likely be available through FedDev.

	for the effort.	
Create a community-based organization (with Waterloo's Communitech as a model) to spearhead local KBI initiatives and smart infrastructure development	Much of the success of existing and emerging high tech centres in Canada is built upon solid partnerships with key private sector technology players. From Waterloo to Ottawa to Moncton, key associations of technology companies have assisted local economic development authorities in understanding technology trends and mobilizing resources. To fully embrace its potential as an intelligent community, Newmarket should work with key local companies to establish a similar structure in the community. Perhaps the strongest example of such a structure in Canada is Communitech in Waterloo. Newmarket should engage this creative and innovative association of technology companies to assist with the development of a "sister structure" in the community. In Newmarket's case, this structure should be built around the existing "Business Knowledge Initiative" within the broader "Shared Digital Infrastructure" (SDI) program. The proposed Knowledge and Innovation Centre becomes a logical focal point for these activities.	This is a MEDIUM PRIORITY Action.
Develop a KBI-based lean manufacturing / green manufacturing initiative based on KBI tools and linked to the new BR&E program	Building upon the enhanced results of the software-supported BR+E program outlined above, Newmarket should seek avenues for introducing "smart technologies" to local companies in order to improve energy efficiency, waste reductions, improved productivity and increasingly "lean" approaches to manufacturing and other operations. Increased support for green energy	This is a MEDIUM PRIORITY action to be carried out on an ongoing basis. Potential partners include local and regional business organizations such as Chambers of Commerce and the Excellence in

	production and related green technology manufacturing opportunities is also a priority within this context. By encouraging the early adoption of new technologies, Newmarket makes itself a centre of innovation, while simultaneously showcasing measures to improve corporate bottom lines and enhance environmental performance. This will further business retention efforts while anchoring initiatives to promote Newmarket as an "intelligent community."	Manufacturing Consortium.
Work with Southlake Regional Health Centre to build local expertise in the converging IT and Life Sciences sectors, from records digitization to bioinformatics, and develop a strategy for exporting this expertise	The new economy is increasingly dominated by the concept of "convergence" – the notion that two or more distinct sectors of the economy are coming together through avenues and connections mediated by merging technologies. Successful economic development efforts often target those areas where convergence is likely to occur. From Newmarket's perspective, some of the most significant convergence opportunities will occur where the health and life sciences sector converge with computing and information technology. With Southlake as an anchor, and an increasing commitment to becoming an intelligent community, Newmarket should develop a targeted, tangible action plan addressing the convergence of health and ICT industries, and how the community may position itself at the forefront of this opportunity.	This is a HIGH PRIORITY action. Funding for this initiative is likely available from FedDev, ICCI or other sources, while logical project partners include Southlake and York Biotech.
Work with regional interests to acquire, build and maintain key	Recent community efforts have brought significant funding for digitization, smart electrical applications and other	This is a LONGER TERM PRIORITY action, delivered and pursued on

technology assets and infrastructure in the community, building on existing smart grid, e-health and digital information initiatives	"intelligent" initiatives to the community. These efforts should be viewed as a starting point rather than an achievement in and of themselves. Through its Intelligent Community strategy (described above), Newmarket must work to continuously identify and undertake innovative knowledge and technology-based initiatives that will improve local quality of life, enhance business and community infrastructure, and differentiate the community from its competitors in York Region and across North America. Not only will this effort enhance other intelligent community initiatives, it will reinforce Newmarket's role as a regional centre of activity, with enhanced infrastructure drawing more services and agencies to the community. Newmarket's recent visualization exercises are a key example of this process in action. Technology is used to meet municipal needs, but also generates public and private excitement about the direction in which Newmarket is headed and the capacity of technology to facilitate clear, powerful visions of the community's potential.	an ongoing basis.
Develop a "Creative Class" initiative for Newmarket, linking arts & culture to other creative industries in a program designed to enhance and improve quality of life as a driver of additional economic development opportunity	The work of Dr. Richard Florida and others has established the powerful role of a new creative class of knowledge workers on local economies and local economic development. Newmarket must increasingly recognize these creative workers in its planning, development and recreational policies to attract them to and retain them in the community. Of particular importance to this group are amenities related to a high quality of life with ample social,	This is a HIGH PRORITY action. Funding for efforts on this regard may be available from a variety of sources, including FedDev, ICCI and the Ontario Ministry of Culture.

	cultural and recreational activities. Such amenities, of course, also benefit existing citizens and residents. In the past, companies made investment decisions on the basis of cold cost calculations, and would-be employees moved to where the companies were located. In the emerging knowledge economy, workers make decisions about where to live on the basis of quality of life, and companies increasingly choose to live where they can access the most skilled and knowledge-oriented workers. In this emerging paradigm, a sound vision for incorporating creative class concerns into all aspects of Town planning is essential.	

8 Performance Monitoring and Metrics

The research that Millier Dickinson Blais carries out is specific to the community it is working for and with. Data and information gathered for this report relate specifically to Newmarket, and describe the unique trends, features and assets of this community. As a result, the actions outlined and the programs recommended are also unique to Newmarket, and would likely make little sense in any other context. In the question of performance measurement, however, it is possible to learn a great deal from the activities, measures and metrics employed in other communities.

This following chapter is a summation of current "best practice" in economic development performance measurement. It has been used and adapted for other communities, but is equally valuable in this context as a means of outlying tools with which Newmarket may assess its progress on the economic development front.

Economic development is a dynamic landscape. Regardless of the community in question, there are always many forces and organizations involved. This is easy to understand when consideration is given to the scope and variety of projects that are considered to be "economic development". These include delivering services for small businesses and entrepreneurs, business investment attraction, business retention and expansion, workforce training, physician recruitment, community beautification, brownfield redevelopment, downtown revitalization, shop local programs and special events.

One of the key considerations in the delivery of an economic development program for the Town of Newmarket is the roles and responsibilities for the members of the economic development team. With local community interest in economic development at a high level, and municipal resources stretched thin, it will be essential that a delivery model be one which enables the involvement of the community in ongoing program delivery.

Performance measurement is a tool to determine how well a job has been done using both qualitative and quantitative information and activities. A lack of clear measurements (or the failure to communicate these measurements clearly) is one of the key reasons why economic development practices fail. The following reasons make it important to track activity and performance:

- Providing public accountability
- Assisting with human resources management
- Using results to improve performance
- Identifying the return on investment

An effective Economic Development Officer (EDO) must perform, measure *and* communicate these results. Unfortunately, performance measurement in economic development is not a common practice. To date, it has been unaffected by the Government of Ontario's Municipal Performance Measurement Program, which has set guidelines for almost all other aspects of municipal service delivery including road maintenance, emergency services and governance.

Ontario is not alone on this front. Few jurisdictions have adequately addressed this concern, although the European Union has struck a working group to examine performance standards for economic developments in Europe. A similar approach is being debated by the Economic Developers Association of Canada (EDAC), though it will likely be years before any sort of standard is adopted.

This is something of an unacceptable situation and is changing as EDOs see the merits in tracking performance so they can improve their operations. However, the lack of research as to the most appropriate economic development performance measures also contributes to the lack of appreciation for the real impact economic development efforts can have on a community. In an effort to provide Newmarket with an understanding in this regard the following discussion provides specific details for measuring customer service and return on investment as it pertains to the business of investment attraction.

8.1 Providing Service Excellence

Economic development is primarily a service-oriented function, and investment prospects require a high degree of attention. To effectively determine the client's needs and identify possible solutions takes strong communications and interpretation skills and a broad knowledge of the local and regional economy, certain industrial sectors, building/land development and the local business community.

Interaction with the client may begin with a single staff person, but as a project develops it is normal for many different municipal departments and outside organizations to become involved. There often needs to be a standard operating procedure and single point of contact, but the client normally has the ability to access information from many sources. To be consistently successful in attracting new business, the City and other organizations in the community must be recognized as a seamless team who are working towards the common goal of attracting desirable investment opportunities.

Furthermore, the rise of web-based technologies has altered the service paradigm in recent years. What was once "best practice" in client response is now often unacceptable. The following table shows how technology has accelerated economic development service standards over the last ten years.

Figure 42 – Evolution of Economic Development Services

Year	Response Time	The Gold Standard of Economic Development Service
1995	**48 hours**	At the end of the call with the investment prospect the EDO says: "To help you better understand our community and the opportunities we have for you, I will put together a package that contains our Community Profile, Available Properties Guide and Lure Brochure. I will use Post-It Notes to highlight the pages that will be of most interest so you can quickly find the relevant information. I will courier that out to you tomorrow and you should have it in 48 hours."

2001	**Same day**	At the end of the call with the investment prospect the EDO says "To help you better understand our community and the opportunities we have for you, I will send you an email before the end of the day that has several attachments including key excerpts from our Community Profile as well as hyperlinks to online listings of available property that closely meets your criteria."
2010	**While on the phone**	During the call with the investment prospect, the EDO says "Do you have access to the Internet right now?" [YES] "Great, why don't we go online and I'll take you through our website so that you can download the relevant files. We'll also go through our available properties directory and look at maps, photos and details of available properties which meet the criteria you've described to me."
2015?	**Technology-mediated transactions in real time**	Increasingly, other virtual tools for client facilitation are becoming available, including three dimensional visualizations and virtual plant and facility tours, supported by interactive social media and Web 2.0 tools. While these tools are not yet widespread, they are being used by innovative communities, and will likely be ubiquitous by 2015. In positioning itself as an "intelligent community" Newmarket should seek to be an early adopter of these technologies.

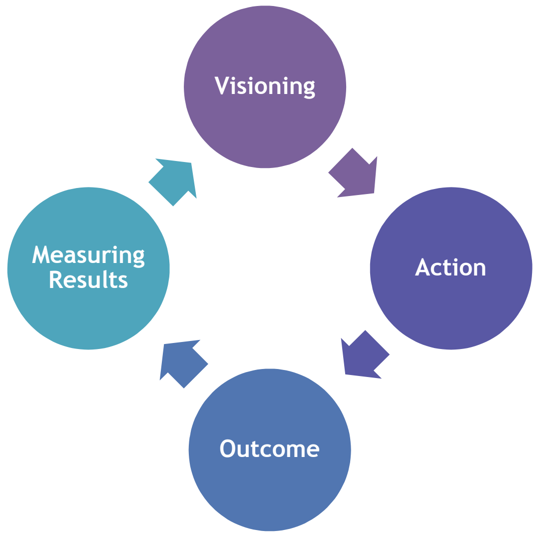
Overnight responses are no longer good enough. Communities must become more sophisticated in gathering/organizing community data and responding immediately to specific questions. Newmarket has an opportunity to utilize the latest technology to provide outstanding client service. If the Town's competitors are, then without it, it will be that much more difficult for Newmarket to be successful. If the Town's competitors are not, then Newmarket has an advantage in the first 10 minutes of the selling process.

This is easy to measure, but it takes the EDO to make an honest self-assessment. Simply, how did we do? Did we meet the Gold Standard of Service for that client? Yes or no? If not, why not? Tracking this will provide, at the end of each quarter, the percentage of times the gold standard was met. Over the course of several quarters, an EDO will see a trend and be able to proactively identify ways to improve.

8.2 Evaluating Economic Development Service Delivery

The process of evaluating progress and success in economic development delivery should be continuous. Each success generates more opportunities, each failure a series of lessons for improved future performance. Behind any discussion of legitimate performance measurements and benchmarking activities must lay the following approach to integrating evaluation with action:

Figure 43 – Continuous Program Improvement



Nevertheless, measuring the impact of economic development programs is a contentious and problematic area of ongoing debate and research. Newmarket staff should continue to monitor emerging discussions and trends in this regard, but the following tools may be of some value in evaluating progress in the implementation and effectiveness of this strategy.

The most commonly used traditional measure of the success of an Economic Development Office (EDO) relates to the numbers of new jobs and tax assessment created. Sometimes it is the only measure that is requested or understood by stakeholders, despite the fact that the objective of economic development projects is not always to create jobs and or generate additional tax revenues, but instead to foster an environment that enables investment and development to occur. There are merits to such simplistic measures, but there are also dangers. In the past, EDOs have been accused of overstating their impact; it is easy to claim that investments would have come to the community even without the support of an EDO. The Oakville Economic Development Alliance (OEDA) has developed an innovative approach to this issue that other communities have begun to emulate.

Under the leadership of Dave Cash, now Whitchurch-Stouffville's Chief Administrative Officer, and based on research carried out by Chris Kallio, now the Director of Economic Development for Newmarket, the OEDA created an "OEDA Factor" which evaluated, on a scale of 1 to 100 (expressed as a percentage) how much impact the organization had in attracting or maintaining an investment in Oakville. A factor of 75-100% indicates that OEDA were instrumental, 50-75% indicates a high degree of involvement, 25-50% reflects a moderate involvement (such as approval expediting), while 0-25% is low involvement, (such as assisting with start-up). The OEDA Factor is then multiplied by the total taxes and jobs to arrive at "OEDA Jobs" and "OEDA Taxes" calculations. The OEDA model requires that staff go to the extent of contacting each company involved in the calculation in order to ensure their assigned factor was appropriate, and reflective of the company's experience – in case a member of the community were to want to verify the figures independently. The following table from OEDA's 2000 Annual Report provides an overview of this innovative approach.

Figure 44 – Measuring Impact in Jobs and Taxes

COMPANY/PROJECT	OEDA Factor	Jobs New	Jobs Main	Total Sq. Ft.	Town Taxes	OEDA Jobs	OEDA Sq. Ft.	OEDA Taxes
Internetsecure Inc.	95%	75	25	30,000	$18,750	95	28,500	$17,813
Sheridan/Oakville CCIT	90%	0		55,000	$36,000*	0	49,500	$32,400
Pro*cure.com	80%	33	45	30,000	$18,750	62	24,000	$15,000
Cooper/Teply (WBP)	80%	n/a	n/a	n/a	$182,196	n/a	n/a	$145,757
BF Goodrich Landing	60%	75	400	85,000	$53,125	285	51,000	$31,875
Livingston/Ericsson	50%	30		42,000	$26,250	15	21,000	$13,125
GE Lighting Ltd.	45%	44	453	0	$0	224	0	$0
Peter Marlett Insurance	35%	5		1,800	$1,125	2	630	$394
Vince-Jones Insurance	35%	14	30	10,000	$6,250	15	3,500	$2,188
Westrock Drywall	35%	45		15,000	$9,375	27	5,250	$3,281
Acres Consulting	25%	120		30,000	$18,750	30	7,500	$4,688
ASL Distribution	25%	10	70	168,000	$105,000	20	42,000	$26,250
Totals 2000	**55%**	**451**	**1,023**	**466,800**	**$439,571**	**775**	**232,880**	**$292,769**

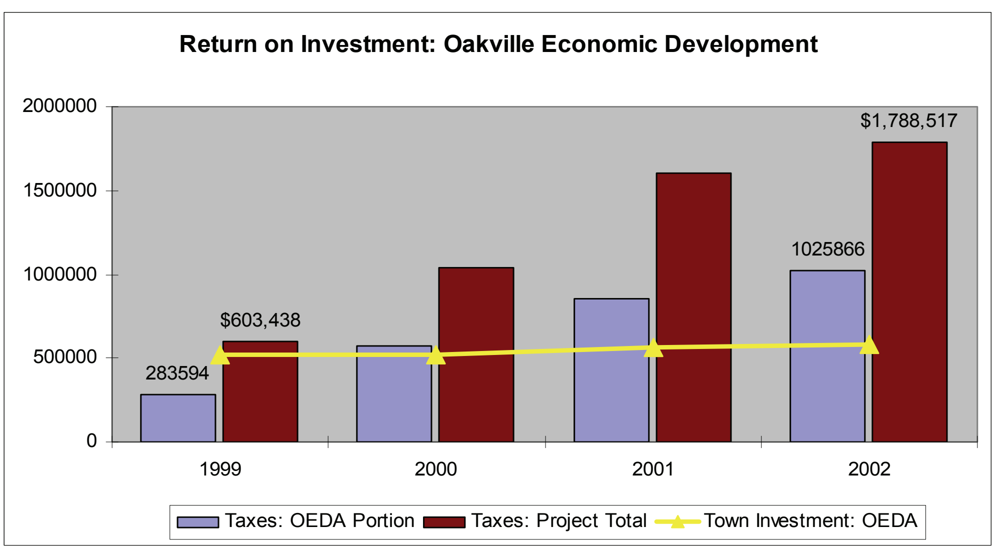
Note: New jobs and taxes are estimates. Town's taxes are based on 25% of the total property taxes paid. OEDA Factor refers to the level of involvement the economic development staff has had in this project and is used to calculate the OEDA impact figures. *Sheridan College does not pay a property tax, they pay a grant/student in lieu of taxes, which equates to $36,000.

Note: The higher the OEDA factor the more influence/involvement the economic development staff has had in the completion. For example; 75-100 % indicates OEDA staff were instrumental in the investment for Oakville, 50-75% indicates a high degree of involvement, such as provision of extensive data and approvals expediting, 25-50% is moderate involvement, such as approvals expediting after investment decision and 0-25% is low involvement, such as assisting with start up.

Source: Oakville Economic Development Alliance Annual Report (2000)

OEDA developed a further metric to demonstrate how the municipality's financial investment in economic development paid significant returns in a relatively short period of time. In the following table, the blue bar represents the "OEDA taxes" (from above chart) beginning in 1999. In 2000, it combines the "OEDA taxes" from 1999 and 2000. By the end of 2000, the level of recurring taxes from OEDA's successes more than pays for the Town's approximately $500,000 annual investment in the organization (the yellow line). By 2002, the Town was receiving $1,025,866 in taxes (Town portion only), and their investment in OEDA was still in the $500,000 range annually (it should be noted that if a business closed or downsized, they were removed from ongoing tax calculations).

Figure 45 – The OEDA Factor



Source: Oakville Economic Development Alliance Annual Report (2002)

The OEDA metrics represent a simple but accurate method of measuring direct economic development impacts. Although narrow in scope, the technique can be an effective measure of performance in some limited areas of activity. Ottawa-based OCRI (the City of Ottawa's economic development department, whose name arises from its original moniker of the Ottawa-Carleton Research Institute) has also developed a series of econometric measures. It assesses its overall economic development performance by examining statistics from twelve key indicators.

Figure 46 – Performance Measurement at OCRI

Indicator or Metric	Source of Data	Frequency of Assessment
Number of companies by cluster	OCRI research	Semi-annual
Number of employees by cluster	OCRI research	Semi-annual
Rate of change in median size of company	OCRI research	Semi-annual
Percentage of urban/rural households and businesses with broadband access	City, private carriers	Annual
Percentage of post-secondary and secondary school education attainment	Ministry of Education, School Boards	Annual
Risk capital investment by stage of company and relative share	OCRI research	Quarterly
Start-up activity and relative impact	OCRI research	Annual
Unemployment rate	HRSDC	Monthly
Participation rate in labour force	HRSDC	Monthly
Total dollars of research conducted in the academic and industrial base	Research Money, Colleges and Universities	Annual
Property tax assessment base	City	Annual

Although strictly econometric indicators are relatively easy to generate and allow for ongoing trend analysis, they do not paint a complete picture of economic development service delivery. Newmarket must also look to a range of other, non-traditional metrics of performance to assess progress in implementing this economic development strategy. It should, for example, develop and deliver a wide and ongoing series of survey-based assessments of performance, utilizing online tools like surveymonkey.com to undertake these exercises. Annual surveys of client satisfaction and partner satisfaction would be appropriate first uses of this technique.

A number of other specific evaluation tools have been adopted by other communities and may be considered for use in Newmarket:

- Sustainability indicators delivered through the International Sustainability Indicator Network (ISIN), including indicators focused on the community's ecological footprint, and analysis of the community's triple bottom line (financial, social & environmental)
- Business-based sustainability measures, such as energy consumption and conservation measures
- Metrics that combine quality of life with economic variables, such as the Genuine Progress Indicator (GPI)
- Emerging measures such as the Community Vitality Index (and its related Business Vitality Index) currently being promoted by the Ontario Ministry of Agriculture, Food and Rural Affairs, and being piloted in communities such as Brockville

The Economic Developers Association of Canada (EDAC) and the University of Waterloo have recently been asked by some EDAC members to consider establishing a system of performance indicators for Canadian economic development organizations. In February of 2010, the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) announced that it would be contracting the Economic Developers Council of Ontario (EDCO) to engage in a research process relating to performance indicators for economic development. While neither of these initiatives has begun, Newmarket should consider presenting itself as a "pilot project" for one or both of these initiatives.

There are also a number of third party evaluations occurring on a regular basis, and a sound measure of Newmarket's progress may lie in the Town's appearance (or the Region of York's appearance) on or improved ranking in a series of existing indices and lists measuring a range of variables and achievements. Possibilities here are numerous, but Newmarket should perhaps focus on those that can be linked (directly or indirectly) to its effort to become more widely recognized as an "intelligent community." Possibilities in this context include:

- The Economic Developers Association of Canada's annual "Marketing Canada" awards
- The Appleton Charitable Foundation's annual list of "National Sustainable Urban Transportation Rankings"
- *Computerworld*'s annual "Best Places to Work in IT" rankings
- The Canadian Federation of Independent Business' rakings of community support for entrepreneurship
- *Site Selection Magazine*'s rankings of R&D Hubs
- The Intelligent Community Forum's rankings of the 7 and 21 most Intelligent Cities in the world

Of course, metrics are not economic development in and of themselves. When employed effectively, they may shed light on some element of the economic development process. Collectively, they may help to paint a picture of the larger processes – positive or negative – underway within a community or regional economy. The ultimate metric of economic development success, however, is left to the community: when business and community leaders are satisfied that progress is being made, then success is in sight.

9 Appendix One: Industry by Occupational Codes, Newmarket, 2006

	11 Agriculture, forestry, fishing and hunting	21 Mining and oil and gas extraction	22 Utilities	23 Construction	31-33 Manufacturing	41 Wholesale trade	44-45 Retail trade	48-49 Transportation and warehousing	51 Information and cultural industries	52 Finance and insurance	53 Real estate and rental and leasing	54 Professional, scientific and technical services	55 Management of companies and enterprises	56 Administrative and support, waste management and remediation services	61 Educational services	62 Health care and social assistance	71 Arts, entertainment and recreation	72 Accommodation and food services	81 Other services (except public administration)	91 Public administration
A0 Senior management occupations	0.0%	11.8%	0.0%	1.1%	2.3%	3.3%	0.4%	2.3%	3.2%	3.2%	2.2%	5.0%	0.0%	2.5%	0.8%	0.5%	1.0%	0.4%	1.4%	3.3%
A1 Specialist managers	7.4%	29.4%	10.7%	0.6%	5.6%	19.2%	1.6%	2.6%	11.6%	11.6%	4.4%	7.8%	25.0%	4.7%	1.7%	2.1%	1.4%	1.2%	1.9%	6.2%
A2 Managers in retail trade, food and accommodation services	0.0%	0.0%	0.0%	0.9%	0.7%	1.7%	14.1%	0.0%	0.0%	0.0%	4.4%	0.3%	0.0%	1.2%	0.0%	0.0%	1.4%	12.1%	3.6%	0.0%
A3 Other managers, n.e.c.	7.4%	0.0%	2.7%	10.0%	5.8%	1.7%	0.6%	5.0%	7.2%	7.2%	4.4%	2.6%	0.0%	2.0%	3.1%	1.7%	3.8%	0.0%	3.6%	4.0%
B0 Professional occupations in business and finance	0.0%	0.0%	5.3%	0.9%	1.6%	1.7%	0.5%	0.0%	0.8%	0.8%	2.2%	9.4%	16.7%	1.5%	0.8%	0.7%	1.0%	0.4%	1.1%	2.9%
B1 Finance and insurance administrative occupations	0.0%	0.0%	0.0%	2.3%	0.2%	0.8%	0.7%	0.0%	0.8%	0.8%	8.0%	2.6%	0.0%	0.5%	0.5%	0.0%	0.0%	0.4%	1.4%	1.0%
B2 Secretaries	0.0%	0.0%	0.0%	0.9%	0.5%	1.2%	0.0%	0.0%	0.8%	0.8%	2.2%	3.1%	0.0%	1.7%	2.4%	4.8%	0.0%	0.0%	1.1%	1.0%
B3 Administrative and regulatory occupations	7.4%	0.0%	4.0%	1.9%	2.9%	4.3%	0.9%	1.0%	4.0%	4.0%	11.7%	4.0%	0.0%	4.2%	2.0%	3.3%	2.4%	0.4%	5.8%	6.2%
B4 Clerical supervisors	0.0%	0.0%	0.0%	0.0%	0.9%	0.8%	0.0%	1.3%	1.6%	1.6%	0.0%	0.3%	16.7%	0.7%	0.0%	0.4%	0.0%	0.0%	0.0%	1.2%
B5 Clerical occupations	0.0%	0.0%	12.0%	8.1%	9.4%	18.0%	8.0%	16.5%	14.4%	14.4%	5.8%	10.5%	0.0%	19.0%	3.4%	9.6%	6.7%	0.8%	5.8%	15.4%
C0 Professional occupations in natural and applied sciences	0.0%	0.0%	6.7%	1.1%	4.7%	5.2%	0.6%	0.0%	8.4%	8.4%	1.5%	22.9%	16.7%	2.0%	1.4%	0.5%	0.0%	0.0%	4.1%	5.0%
C1 Technical occupations related to natural and applied sciences	0.0%	0.0%	8.0%	3.0%	3.3%	4.7%	0.2%	2.6%	2.4%	2.4%	1.5%	6.1%	0.0%	3.0%	1.3%	0.5%	1.4%	0.4%	0.0%	6.7%
D0 Professional occupations in health	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.3%	5.3%	0.0%	0.0%	1.6%	0.0%
D1 Nurse supervisors and registered nurses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	16.0%	0.0%	0.0%	0.0%	1.2%
D2 Technical and related occupations in health	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.8%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	11.0%	0.0%	0.0%	4.7%	1.0%
D3 Assisting occupations in support of health services	0.0%	0.0%	0.0%	0.0%	0.2%	0.4%	1.1%	0.0%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.2%	0.0%	0.0%	0.5%	0.0%
E0 Judges, lawyers, psychologists, social workers, ministers of religion, and policy and program officers	0.0%	0.0%	2.7%	0.0%	0.0%	1.6%	0.2%	0.7%	0.0%	0.0%	0.0%	6.4%	0.0%	0.0%	1.6%	4.8%	1.0%	0.0%	1.4%	7.4%
E1 Teachers and professors	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.2%	0.7%	8.0%	8.0%	0.0%	0.9%	0.0%	0.0%	54.7%	0.0%	0.0%	0.0%	1.4%	0.5%
E2 Paralegals, social services workers and occupations in education and religion, n.e.c.	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.7%	8.0%	8.0%	0.0%	3.3%	0.0%	1.2%	4.1%	17.6%	1.9%	0.0%	0.0%	1.4%
F0 Professional occupations in art and culture	0.0%	0.0%	0.0%	0.0%	0.5%	0.4%	0.2%	0.0%	4.4%	4.4%	0.0%	0.7%	0.0%	0.0%	3.3%	0.5%	9.1%	0.0%	2.2%	1.2%
F1 Technical occupations in art, culture, recreation and sport	0.0%	0.0%	0.0%	0.4%	0.7%	0.4%	0.6%	0.7%	6.8%	6.8%	0.0%	4.1%	0.0%	0.5%	1.6%	0.0%	22.1%	0.0%	0.0%	2.4%
G0 Sales and service supervisors	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	1.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	2.4%	2.6%	0.0%	0.0%
G1 Wholesale, technical, insurance, real estate sales specialists, and retail, wholesale and grain buyers	0.0%	0.0%	0.0%	0.6%	2.2%	18.6%	1.9%	1.7%	0.0%	0.0%	32.1%	3.3%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%
G2 Retail salespersons and sales clerks	0.0%	0.0%	0.0%	1.7%	1.9%	1.4%	35.2%	1.0%	0.0%	0.0%	13.9%	1.4%	16.7%	2.0%	0.0%	0.4%	1.9%	1.0%	0.5%	0.0%
G3 Cashiers	0.0%	0.0%	2.7%	0.0%	0.0%	1.0%	9.4%	0.0%	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.3%	3.4%	5.9%	6.6%	0.0%
G4 Chefs and cooks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	21.0%	27.2%	0.0%
G5 Occupations in food and beverage service	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.0%	0.5%	0.0%
G6 Occupations in protective services	0.0%	0.0%	2.7%	0.0%	0.0%	0.0%	0.4%	0.7%	1.2%	1.2%	0.0%	0.3%	0.0%	4.7%	0.5%	0.0%	1.9%	0.0%	0.0%	26.1%
G7 Occupations in travel and accommodation, including attendants in recreation and sport	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	6.8%	6.8%	0.0%	0.0%	0.0%	3.7%	0.0%	0.0%	5.3%	1.2%	0.0%	0.0%
G8 Childcare and home support workers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.5%	2.6%	0.0%	0.0%	2.7%	0.0%
G9 Sales and service occupations, n.e.c.	0.0%	0.0%	4.0%	1.7%	0.8%	1.2%	11.3%	0.0%	0.0%	0.0%	4.4%	0.6%	0.0%	14.0%	5.8%	5.0%	10.1%	30.5%	9.9%	0.7%
H0 Contractors and supervisors in trades and transportation	0.0%	0.0%	0.0%	6.2%	1.1%	0.0%	0.2%	2.0%	0.0%	0.0%	0.0%	0.4%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	1.4%	0.5%
H1 Construction trades	0.0%	11.8%	0.0%	28.6%	0.5%	0.0%	0.4%	0.0%	1.2%	1.2%	0.0%	0.3%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
H2 Stationary engineers, power station operators and electrical trades and telecommunications occupations	0.0%	0.0%	9.3%	7.9%	0.5%	0.6%	0.0%	0.0%	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.5%	0.5%
H3 Machinists, metal forming, shaping and erecting occupations	0.0%	0.0%	0.0%	1.5%	5.6%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.5%	0.3%	0.0%	0.0%	0.0%	0.8%	0.0%
H4 Mechanics	0.0%	0.0%	6.7%	4.5%	2.6%	1.4%	2.4%	5.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.0%	0.4%	0.0%	0.0%	0.5%	1.0%
H5 Other trades, n.e.c.	7.4%	0.0%	2.7%	1.7%	1.6%	0.6%	0.7%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	2.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%
H6 Heavy equipment and crane operators, including drillers	0.0%	0.0%	0.0%	1.9%	0.0%	0.4%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%
H7 Transportation equipment operators and related workers, excluding labourers	7.4%	0.0%	0.0%	0.0%	1.1%	1.4%	1.9%	47.5%	0.8%	0.8%	0.0%	0.0%	0.0%	0.5%	0.0%	0.3%	1.4%	1.4%	0.0%	0.0%
H8 Trades helpers, construction, and transportation labourers and related occupations	0.0%	0.0%	4.0%	10.7%	2.5%	2.5%	0.7%	2.0%	0.8%	0.8%	0.0%	0.4%	0.0%	3.0%	0.0%	0.0%	1.0%	0.4%	0.0%	0.5%
I0 Occupations unique to agriculture, excluding labourers	44.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%	0.0%	0.0%	2.4%	0.0%	0.5%	0.5%
I1 Occupations unique to forestry operations, mining, oil and gas extraction, and fishing, excluding labourers	0.0%	11.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%
I2 Primary production labourers	11.1%	0.0%	2.7%	0.4%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	10.6%	0.0%	0.0%	13.0%	0.4%	0.5%	1.7%
J0 Supervisors in manufacturing	0.0%	0.0%	8.0%	0.0%	3.3%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
J1 Machine operators in manufacturing	0.0%	0.0%	2.7%	0.0%	8.8%	2.3%	0.4%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	2.5%	0.5%
J2 Assemblers in manufacturing	0.0%	0.0%	0.0%	0.0%	23.1%	1.7%	0.0%	0.0%	0.8%	0.8%	0.0%	0.0%	0.0%	4.2%	0.0%	0.3%	0.0%	0.0%	1.4%	0.0%
J3 Labourers in processing, manufacturing and utilities	0.0%	0.0%	0.0%	0.0%	4.5%	1.6%	0.2%	0.0%	2.0%	2.0%	0.0%	0.0%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Statistics Canada, 2006 Census of Population, Statistics Canada catalogue no. 97-559-XCB2006024.

10 Appendix Two: NAICS Definitions

North American Industrial Classification System (NAICS): Sector Definitions

Agriculture, Forestry (NAICS 11)

This sector comprises establishments primarily engaged in growing crops, raising animals, harvesting timber, harvesting fish and other animals from their natural habitats and providing related support activities.

Establishments primarily engaged in agricultural research or that supply veterinary services are not included in this sector.

Mining and Oil and Gas Extraction (NAICS 21)

This sector comprises establishments primarily engaged in extracting naturally occurring minerals. These can be solids, such as coal and ores; liquids, such as crude petroleum; and gases, such as natural gas.

The term *mining* is used in the broad sense to include quarrying, well operations, milling (for example, crushing, screening, washing, or flotation) and other preparation customarily done at the mine site, or as a part of mining activity.

Establishments engaged in exploration for minerals, development of mineral properties and mining operations are included in this sector. Establishments performing similar activities, on a contract or fee basis, are also included.

Manufacturing (NAICS 31-33)

This sector comprises establishments primarily engaged in the physical or chemical transformation of materials or substances into new products. These products may be finished, in the sense that they are ready to be used or consumed, or semi-finished, in the sense of becoming a raw material for an establishment to use in further manufacturing.

Related activities, such as the assembly of the component parts of manufactured goods; the blending of materials; and the finishing of manufactured products by dyeing, heat-treating, plating and similar operations are also treated as manufacturing activities.

Manufacturing establishments are known by a variety of trade designations, such as plants, factories or mills. Manufacturing establishments may own the materials which they transform or they may transform materials owned by other establishments. Manufacturing may take place in factories or in workers' homes, using either machinery or hand tools.

Wholesale Trade (NAICS 41)

This sector comprises establishments primarily engaged in wholesaling merchandise and providing related logistics, marketing and support services. The wholesaling process is generally an intermediate step in the distribution of merchandise; many wholesalers are therefore organized to sell merchandise in large quantities to retailers, and business and institutional clients. However, some wholesalers, in particular those that supply non-consumer capital goods, sell merchandise in single units to final users.

This sector recognizes two main types of wholesalers, that is, wholesale merchants and wholesale agents and brokers.

Retail Trade (NAICS 44-45)

The retail trade sector comprises establishments primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

The retailing process is the final step in the distribution of merchandise; retailers are therefore organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers, that is, store and non-store retailers.

Information and Cultural Industries (NAICS 51)

This sector comprises establishments primarily engaged in creating and disseminating (except by wholesale and retail methods) information and cultural products, such as written works, musical works or recorded performances, recorded dramatic performances, software and information databases, or providing the means to disseminate them. Establishments that provide access to equipment and expertise to process information are also included.

The main components of this sector are the publishing industries (except exclusively on Internet), including software publishing, the motion picture and sound recording industries, the broadcasting industries (except exclusively on Internet), the internet publishing and broadcasting industries, the telecommunications industries, the internet service providers, web search portals, data processing industries, and the other information services industries.

Finance and Insurance (NAICS 52)

This sector comprises establishments primarily engaged in financial transactions (that is, transactions involving the creation, liquidation, or change in ownership of financial assets) or in facilitating financial transactions. Included are:

- Establishments that are primarily engaged in financial intermediation. They raise funds by taking deposits and/or issuing securities, and, in the process, incur liabilities, which they use to acquire financial assets by making loans and/or purchasing securities. Putting themselves at risk, they channel funds from lenders to borrowers and transform or repackage the funds with respect to maturity, scale and risk.
- Establishments that are primarily engaged in the pooling of risk by underwriting annuities and insurance. They collect fees (insurance premiums or annuity considerations), build up reserves, invest those reserves and make contractual payments. Fees are based on the expected incidence of the insured risk and the expected return on investment.
- Establishments that are primarily engaged in providing specialized services that facilitate or support financial intermediation, insurance and employee benefit programs.

In addition, establishments charged with monetary control - the monetary authorities - are included in this sector.

Real Estate and Rental Leasing (NAICS 53)

This sector comprises establishments primarily engaged in renting, leasing or otherwise allowing the use of tangible or intangible assets.

Establishments primarily engaged in managing real estate for others; selling, renting and/or buying of real estate for others; and appraising real estate, are also included

Professional, Scientific and Technical Services (NAICS 54)

This sector comprises establishments primarily engaged in activities in which human capital is the major input. These establishments make available the knowledge and skills of their employees, often on an assignment basis.

The main components of this sector are:

- legal services industries;
- accounting and related services industries;
- architectural, engineering and related services industries;
- surveying and mapping services industries;
- design services industries;
- management, scientific and technical consulting services industries;
- scientific research and development services industries;
- Advertising services industries.

The distinguishing feature of this sector is the fact that most of the industries grouped in it have production processes that are almost wholly dependent on worker skills. In most of these industries, equipment and materials are not of major importance. Thus, the establishments classified in this sector sell expertise.

Management of Companies and Enterprises (NAICS 55)

This sector comprises establishments primarily engaged in managing companies and enterprises and/or holding the securities or financial assets of companies and enterprises, for the purpose of owning a controlling interest in them and/or influencing their management decisions.

They may undertake the function of management, or they may entrust the function of financial management to portfolio managers

Educational Services (NAICS 61)

This sector comprises establishments primarily engaged in providing instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities and training centres.

These establishments may be privately owned and operated, either for profit or not, or they may be publicly owned and operated. They may also offer food and accommodation services to their students.

Health Care and Social Assistance (NAICS 62)

This sector comprises establishments primarily engaged in providing health care by diagnosis and treatment, providing residential care for medical and social reasons, and providing social assistance, such as counselling, welfare, child protection, community housing and food services, vocational rehabilitation and child care, to those requiring such assistance.

Accommodation and Food Services (NAICS 72)

This sector comprises establishments primarily engaged in providing short-term lodging and complementary services to travellers, vacationers and others, in facilities such as hotels, motor hotels, resorts, motels, casino hotels, bed and breakfast accommodation, housekeeping cottages and cabins, recreational vehicle parks and campgrounds, hunting and fishing camps, and various types of recreational and adventure camps.

This sector also comprises establishments primarily engaged in preparing meals, snacks and beverages, to customer order, for immediate consumption on and off the premises.

Public Administration (NAICS 91)

This sector comprises establishments primarily engaged in activities of a governmental nature, that is, the enactment and judicial interpretation of laws and their pursuant regulations, and the administration of programs based on them.

Legislative activities, taxation, national defence, public order and safety, immigration services, foreign affairs and international assistance, and the administration of government programs are activities that are purely governmental in nature.

11 Appendix Three: Waterloo Summary of Economic Development Functions

In early May of 2009, members of the project team engaged a group of 53 economic developers from across Canada at a gathering in Waterloo, and asked them to generate a list of common or frequently-observed responsibilities and areas of activity for economic development practitioners. The resulting list is a daunting outline of a dramatically changed profession:

- Investment attraction
- Business Retention & Expansion
- Promoting funding programs
- Capacity building / community development
- Partnership building
- Managing Stakeholders / volunteers
- Work with political leadership
- Land development
- Facilitation
- Sustainable development
- Meeting with developers
- Small business development
- Regional partnership / cooperation
- Business matchmaking
- Performance reporting
- Grant writing
- Marketing
- Research
- Strategic planning
- Community training
- Processing claims
- Business consulting / corporate calling programs
- Networking and community development
- Working in teams
- Partner with private sector
- Trade missions
- Project coordination
- Facade improvement
- Recruiting new residents
- Youth programming / retention
- Arts and culture sector development & cultural planning
- Needs identification and gap analysis
- Tourism development
- Community branding
- Labour force development / retention

- Data collection / analysis
- Dissemination of information
- Infrastructure development
- Promoting & improving competitiveness
- Downtown development
- External marketing as destination
- Demand generator development
- Sponsorship
- Destination Marketing Fund (DMF) development
- Tourism master planning
- Promoting tourism as industry
- Physician recruitment
- Workforce attraction
- Innovation promotion & support
- Communities in transition programs
- Immigration programs (business investors, skilled trades, workforce integration, etc.)
- Integrated Community Sustainability Plans (ICSPs)
- Housing: Cost and Supply mitigation
- Media relations
- Workforce retraining and placement / training
- Business placements / internships
- Recruiting and managing lone wolves / lone eagles
- Measuring economic impact
- Administration

While not every economic development organization engages in every one of these activities, the list of tasks they are responsible for is increasingly long.